

S Africans split on race policy

The ruling Nationalist Party in South Africa has split over racial policies. Extreme right-wingers oppose constitutional policies of Mr P. W. Botha, the Prime Minister, which would involve some sharing of power with Coloured (mixed race) and Indian South Africans. A party caucus meeting yesterday ended with 22 MPs voting against a motion of confidence in Mr Botha. Page 6

Hoover losses rise to £30.97m

Hoover, the domestic appliance manufacturer, yesterday reported a record £30.97m loss for 1981 and partly blamed redundancy and closure costs of £17.24m. Recession and imports of cheap appliances from Italy and Eastern Europe were also blamed. Page 13

Broadway comes to London



Costume designs and rehearsal pictures from the National Theatre's production of "Guys and Dolls" are featured in tomorrow's Preview. The 16-page guide will also contain the second part of a survey of London's best fringe theatres.

Union rejects 'Times' notices

A mass meeting of Times Newspapers clerical workers voted to ignore the dismissal notices sent to 210 members and rejected the company's redundancy terms. Page 2

Applause for Jaruzelski

General Wojciech Jaruzelski, the Polish military leader, defended economic reforms, attacked Western sanctions and sought to justify martial law at the opening of the first full meeting of the 200-member central committee, in Warsaw. His 68-page speech received prolonged applause. Page 6

Unions unite to fight Tebbit

Union leaders formally adopted yesterday the Labour movement's eight-point plan of opposition to Mr Norman Tebbit's Employment Bill which warns that any organization accepting state aid for secret ballots risks expulsion from the TUC. Page 3



Muslims hijack jet at Beirut

Shia Muslim gunmen hijacked a Kuwaiti airliner on the tarmac at Beirut airport yesterday and last night were holding 105 passengers at gunpoint, demanding that the aircraft fly to Tehran. Back page

Yorkshire wrath

Arthur Connell, acting chairman of Yorkshire County Cricket Club's general committee, said that the leakage of a confidential recommendation to end Geoffrey Boycott's contract could only create further problems. Page 18

Leader page, 11
Letters: On local government, from Mr J. Gunnell; small business loans, from Mr L. Lee; a Polish academic, from Professor Sir Alfred Ayer and others
Leading articles: Economy; lead in petrol
Features, page 10
Back to Zimbabwe for Lord Carrington; Parliament's new mumbo-jumbo, by Ronald Butt; Bernard Donoghue looks into government secrecy
Obituary, page 12
Professor D. A. Jackson, Professor Richard Storry

Home News 2-5	Events 24
Overseas 6, 7	Law Report 23
Arts 12, 15	Luxury cartoon 4
Books 8	Parliament 4
Business 13-17	Sale Room 12
Chess 6	Science 2
Church 11	Snow reports 17-19
Court 12	Sport 17-19
Crossword 24	Theatre, etc 9
Diary 10	Weather 24

Russians scour world for grain to avert catastrophe

From Michael Binyon, Moscow, Feb 24

The announcement today by the United States Agricultural Department that the Russians have bought an additional 450,000 tonnes of maize reinforces the belief by Western analysts that following this year's disastrous harvest, Soviet grain imports will be the largest since the Soviet state was founded. American officials now expect the Russians to buy some 42 million tonnes of grain to try to overcome the catastrophic effect on Soviet food production of the third poor harvest in a row. For the first time, the Russians have not given any figure for this year's total, suggesting that it is below the Western estimate of 170 million tonnes, and may be some 70 million tonnes short of the planned target of 236 million.

The total cost of Soviet grain sales is put at around \$7,000m (about £3,900m), which will put a severe strain on the country's hard currency reserves. Western firms report that dozens of contracts for consumer goods, machinery and technology are being cancelled. Soviet food aid to its allies in Indo-China has been cut back. The Russians are finding it hard to spare any money to bail Poland out of its difficulties, and Moscow has been selling huge quantities of oil and gold on world markets even at a time of slump in both commodities.

Nevertheless, the Russians are clearly determined not to allow the bad harvest to worsen an already poor food situation within the country. The Russians are trying not to rely on the United States for their grain purchases, although President Reagan has allowed them to buy up to 23 million tonnes. So far they have bought only 11,500,000 tonnes, and are instead actively negotiating to buy from other sources, principally Canada, Australia, the European Community and Argentina. About half their total purchases are expected to be for animal feed and half will be wheat. Soviet grain reserves are a strict secret, but Western experts believe they must now be near depletion. The Russians will also have to spend about \$2,000m to buy large amounts of sugar on the world market, as this year's sugar harvest was the worst for 18 years, and even Cuba cannot make up the shortfall if the Russians are to maintain adequate supplies at home. All this has led to a vigorous campaign to boost farm production and cut down on waste, which more than anything else is responsible for the dismal Soviet agricultural performance.

Pravda recently announced stiff penalties for peasants who feed bread to their livestock as this is often cheaper than fodder. Private farmers who do so now risk imprisonment, large fines and having their animals confiscated. Soviet officials have admitted that waste, poor packing and distribution means that at least 50 per cent of all fruit and vegetables grown cannot be used as they are spoiled by the time they get to shops. A new and more efficient system of distribution has been created to improve the situation here, and a thorough shake-up of the agricultural bureaucracy is one result of the emergency food programme.

Since the food programme was launched, measures have been taken to improve output in the long run, though the effects are not yet visible. A closer bureaucratic check is being kept on agriculture and the party is to hold a special plenum in a few months to see what progress has been made. For the moment the policy seems to be to muddle through. Soviet ports are strained to the limit coping with the vast grain purchases, and transport and storage facilities are overloaded, but money has been poured into improving them. The coming harvest looks at last like being a good one: the winter was mild, the moisture was right, and more seedling than usual was carried out last autumn.

The food situation in the snowy north of the country is always poor in winter, but so far this year there has been no drastic worsening—contrary to the gloom about poor harvests and low productivity there is cautious optimism that the food situation, though still falling behind over ambitious targets, may slowly improve.

Instead, in a speech at the headquarters of the Organisation of American States here, the President said he intended to send a package to Congress which would bolster the fight against subversion by improving the hard-pressed economies of the Caribbean Basin states, and strengthening their armed forces with increased military aid. The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.



Armed civilians helping the Army in San Vicente, El Salvador. President Reagan argues that, without more military aid, they will be incapable of defeating the guerrillas.

US to increase military aid in Central America

From Nicholas Hirst, Washington, Feb 24

President Reagan, proposing a \$350m (£192m) aid package with extensive trade and investment incentives for Caribbean and Central American countries, said today that the United States would do whatever was prudent and necessary to ensure peace in the area. The President attacked Cuba as a subversive force trying to impose Marxist-Leninist dictatorships in the region. He emphasized, nevertheless, that the United States would not follow Cuba's lead in attempting to solve human problems with brute force.

Instead, in a speech at the headquarters of the Organisation of American States here, the President said he intended to send a package to Congress which would bolster the fight against subversion by improving the hard-pressed economies of the Caribbean Basin states, and strengthening their armed forces with increased military aid. The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

The President said that the centerpiece of his programme was to allow free access to the American market, without import restrictions, for almost all exports from the area for a period of 15 years. Textiles would be excepted because they were covered by other international agreements.

Whitelaw admits 'mistakes' at Scrubs

By Peter Evans, Home Affairs Correspondent

Mr William Whitelaw, Home Secretary, said yesterday that mistakes were made during and after the quelling by prison officers of a protest at Wormwood Scrubs Prison, which resulted in injuries to 74 people.

He assured MPs: "The Director General (Mr Dennis Trevelyan) has taken action to ensure that the lessons which have been learnt are applied at Wormwood Scrubs and throughout the prison service". The clash, on August 31, 1979, involved officers trained and equipped for so-called Mufli tactics (minimum use of force tactical intervention).

The report of an official inquiry into the incident published yesterday strongly criticizes management in the prison, the Board of Visitors (appointed as a public watchdog) and the Prison Officers' Association. In a statement published with the report, the Home Office says that after the clash there was a "punitive attitude towards prisoners on the part of the local branch of the Prison Officers' Association".

Though a police investigation found no evidence to prove that any report was deliberately misleading and prepared with the intention of perverting the course of justice, "incorrect statements were made and were not subsequently corrected".

"This is wholly unacceptable both as a matter of public accountability and management responsibility." The report by Mr Keith Gibson, South-east regional director of prisons, says some prisoners had apparently armed themselves with improvised weapons either from cell furniture or landing railings. There has recently been intermittent tension at the prison, described as a penal institution in a state of anarchy.

Governor, Mr John McCarthy, culminated in five prisoners barricading themselves in a cell for a siege which ended last night. On Monday 90 prisoners demonstrated in support of them in the exercise yard. The prison was said to be calm last night.

The report tells how tension at the prison increased before the clash in 1979 as a result of a power struggle between four groups—Lancaster, gangsters, IRA men, black prisoners and sex offenders—who, with other prisoners, banded together for protection. Incidents involving the gangsters, including an attack on a black prisoner, resulted in some being moved out. A power vacuum resulted which the IRA, black prisoners and the rest of the gangsters sought to fill.

Mr Sidney Powell, secretary of the governor's branch of the Society of Civil and Public Servants, said the 60 injuries had resulted from the wing lay-out which prevented the Mufli teams operating in the way they were trained to. "Minimum force is what you judge it to be at the time. It is a difficult judgment when you are facing nearly 200 murderers armed with iron bars. I had every sympathy with the staff that night."

The case of the three youths, one a member of the Komsomol, the Communist youth organization, has aroused particular concern because of their callous cruelty, which the authorities fear is becoming increasingly prevalent among cynical and materialistic youths. The press has reported disturbing instances of cruelty to animals, including the case of drunken youths who stabbed two kangaroos to death in the Moscow zoo and poached the war-wounded and shot and barbecued protected species in nature reserves.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Scandal of a Soviet hat

From Michael Binyon, Moscow, Feb 24

Three youths are about to go on trial near Moscow for a crime that has horrified Russians: they skinned alive a stolen St Bernard dog and sold the fur to make bait for the black market.

Their cruelty has provoked an outcry among Russians, who are sentimental about animals and particularly about dogs. One of the Soviet Union's most distinguished artists, Sergei Obraztsov, the 80-year-old founder and director of the famous Moscow Puppet Theatre, today wrote to a newspaper denouncing this "crime against human conscience" and calling for tough measures against what has apparently become a common practice.

He said more and more people were buying stolen dogs, illegally sold at pet markets for as little as 10 roubles (£7.70), skinning them alive in the mistaken belief that the fur was more reserved when taken from a live animal, and selling the hides for up to 150 roubles each. When asked by newspaper buyers what kind of fur it is, they joke that it comes from Russia.

Dogskin hats have become quite fashionable in recent years. The reason is that the Soviet Union, one of the world's largest producers of fur, now sells so much abroad, especially for hard currency to the West that it is increasingly difficult to find fox, mink, beaver and other good furs in Russian shops.

Cashing in on the unmet demand, the state has raised prices so much that a fur hat is now beyond the means of most people. In Russia, where winter temperatures fall to -20°C or below, such a hat is not a luxury. A fur hat could easily be obtained in a state's day but now women wear woolen or artificial fibre hats and men have to make do with felt, rabbit or leather caps. The black market in furs is thriving.

The case of the three youths, one a member of the Komsomol, the Communist youth organization, has aroused particular concern because of their callous cruelty, which the authorities fear is becoming increasingly prevalent among cynical and materialistic youths. The press has reported disturbing instances of cruelty to animals, including the case of drunken youths who stabbed two kangaroos to death in the Moscow zoo and poached the war-wounded and shot and barbecued protected species in nature reserves.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

Dogs are an especially emotive subject as more and more Russians, especially pensioners now keep them. For the past year the press has run an anti-dog campaign, pointing to the cost of the meat they eat, and an attempt was made last summer to introduce a prohibitive annual dog tax, to take effect from January, of up to 200 roubles to discourage people from keeping dogs. So near was the outcry, however, that a powerful lobby managed to find legal loopholes in the draft Bill and it has now been abandoned.

BBC may get both 'space' channels

By Julian Haviland, Political Editor

Plans for a British satellite which would provide two extra television channels for British viewers within five years are expected to be announced next week by Mr William Whitelaw, the Home Secretary.

The Independent Broadcasting Authority suspects that Mr Whitelaw has decided to open both channels to the BBC. A campaign to persuade him to change his mind was begun with a letter published in the Times yesterday from Lord Aylestone, a former chairman of the IBA, who said the channels required further public debate. Ministers were surprised yesterday by the eleven-hour challenge to their plans.

Both BBC and IBA have taken part in discussions begun last May, by the IBA Office on the feasibility of direct broadcasting by satellite (known as DBS). The BBC made clear from the start its interest in taking part. It would want one channel for repeat programming and a second for subscription service, which it believes would generate enough revenue from the viewing public to cover the costs of both channels.

It also pressed the Government to bring early legislation, as did several electronics companies eager to put up the money to develop and launch a British satellite. By contrast, IBA's representatives gave Home Office officials the impression that, while interested in principle, they were for the present preoccupied with plans for the introduction of the fourth television channel in November, and of broadcast television in May, 1983.

Senior figures within independent television admitted yesterday they may have been slow off the mark. The IBA said yesterday it had put forward three proposals. There could be a pan-European programme service, with a number of member countries of the European Broadcasting Union contributing and receiving a subscription service or a best of

Both BBC and IBA have taken part in discussions begun last May, by the IBA Office on the feasibility of direct broadcasting by satellite (known as DBS). The BBC made clear from the start its interest in taking part. It would want one channel for repeat programming and a second for subscription service, which it believes would generate enough revenue from the viewing public to cover the costs of both channels.

Now: 10 flights to South Africa every week!

With the introduction of another direct flight to Cape Town, SAA now, more than ever, offers the Lion's Share Only SAA has such a wide choice of flights from London to South Africa - 10 a week (including 3 non-stop). Only SAA has fast, connecting flights to 12 internal destinations. Include our reputation for superb in-flight service, comfort and hospitality, plus our new first class Starclass and our new Gold Class, and you'll see what we mean by the Lion's Share.

For full details call your IATA Travel Agent or SAA offices at 221 Regent Street, London W1A 2AD. Tel: 01-774 5611. Worcester Street, Birmingham Tel: 021-643 9005. Hope Street, Glasgow Tel: 043-221 2852. Peter Street, Manchester Tel: 021-624 4455.

SAA SOUTH AFRICAN AIRWAYS

We offer you the Lion's Share

TUESDAY	JOHANNESBURG	WEDNESDAY	JOHANNESBURG	THURSDAY	JOHANNESBURG
FRIDAY	JOHANNESBURG	SATURDAY	JOHANNESBURG	SUNDAY	DURBAN

NEW! THURSDAY CAPE TOWN

Lady Simey accuses police of vengeance

By Richard Evans

The chairman of Merseyside police authority told MPs yesterday she was satisfied that the police exacted vengeance on people who made official complaints. Lady Simey, aged 76, gave her own recent experience of the police complaints procedure to the Home Affairs select committee to support her allegations. "About a year ago I put in a complaint myself. I hasten to say not on Merseyside, but elsewhere. The officer involved took vengeance on a member of my household, which I could tell you about in private but would not want to detail in public." Lady Simey, a member of the board of governors at Bramshill Police College, told the committee chairman, Sir

John Eden, Conservative MP for Bournemouth, West, that from her experience as a councillor in Torquay, she could "produce lists from solicitors of cases of this kind". Afterwards, Lady Simey would not disclose the name of the force or the officer involved in her complaint. Last night Police Federation Merseyside chairman, P.C. Fred Jones, said he was very upset over the claims. "We know that the North Wales police tried on at least two occasions to get Lady Simey to a disciplinary hearing but she did not turn up." "If she had evidence that will show police impropriety then it is her duty to place it before the proper authority and call for an investigation. The select committee, which is inquiring into the police

Ulster to change law on homosexuals

By Nicholas Timmins

The law on homosexuality in Northern Ireland is to be brought into line with that of the rest of the United Kingdom, allowing homosexual acts in private between two consenting males aged over 21. The proposed change, announced yesterday by Mr James Prior, Secretary of State for Northern Ireland, has been forced on the Government by a decision of the European Court of Human Rights. It ruled that the present law was in breach of Article 8 of the European Convention, which provides for respect for private and family life. The decision has come in the wake of the homosexual vice scandal at the Kinross Boys' Home, and at other boys' homes in Belfast.

TUC expulsion warning on Tebbit Bill

By Paul Routledge, Labour Editor

Union leaders yesterday formally adopted the Labour movement's counter to the Government's employment Bill with a warning that any organisation accepting state aid for secret ballots risks expulsion from the TUC.

An eight-point plan of opposition, agreed unanimously by the TUC General Council, will commit the 112 affiliated unions to boycott the legislative provisions being steered through Parliament by Mr Norman Tebbit, Secretary of State for Employment.

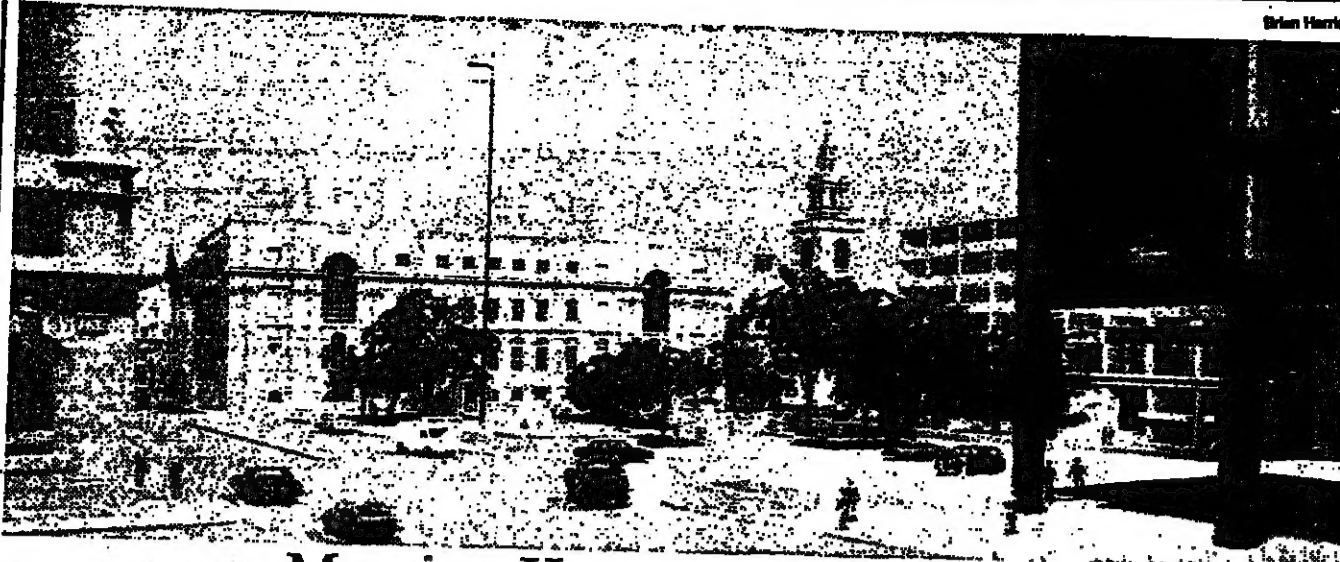
For the first time, the TUC General Council will be empowered to organize industry-wide strikes in support of a union "attacked" by an employer using the employment Act, which is due to be introduced in mid-summer.

Mr Len Murray, General Secretary of the TUC, coupled his presentation of the anti-Tebbit law campaign with a warning that action under the new rule 13 could lead to "suspension and even expulsion" of unions that defied the movement's policy and took public money for ballots.

A very few unions, but including important ones such as the engineering workers and the electricians, have been tempted by the offer of government cash for ballots they already carry out for union office, but Mr Murray said: "We have delivered them from their evil and ours is the kingdom."

The eight key recommendations being put to a special TUC conference of union executives in Wembley on April 5 are:

- 1—Campaign: Affiliated unions to "highlight the dangers" to their members of the forthcoming legislation, and to seek support for opposition.
- 2—100 per cent trade union



Mansions House project attacked

The final plan for a new square in the crowded heart of the City of London has aroused bitter controversy among architects and conservationists (Hugh Clayton writes).

A 250ft block, the base of which appears at the right of the model pictured above showing the square stretching eastwards to the Mansion House and St Stephen Walbrook, was dismissed yesterday as "architecturally old hat" by Mr John Harris, president of the

International Confederation of Architectural Museums.

Mr Marcus Binney, chairman of the Save Britain's Heritage Group, said: "The design will be 30 years old by the time it is actually built."

The plan to create the new square was initiated almost 25 years ago by Mr Peter Palumbo, who claims the designs are of the highest quality possible. The tower block, which would dominate the square, was designed by Mies van der Rohe, the exceptionally influential designer of the Seagram building in New York, who died in 1969.

The scheme would involve the demolition of a group of minor listed buildings to create a square which would become "an oasis, a staging post and a forum," according to Mr Palumbo, the head of a family development group. He has spent more than 20 years buying property in the area and is now in a position to apply for planning permission.

Interferon discoverer was paid £5 a week

By Pearce Wright, Science Editor

One of the discoverers of interferon, Dr Jean Lindenmann, was paid £5 a week in 1957 when he and the late Dr Alick Isaacs identified the substance on which the millions of pounds are now being spent on research.

Dr Lindenmann received the grant from the Swiss Academy of Medical Sciences to enable him to work at the National Institute for Medical Research in Mill Hill, north London.

He recalled that grant yesterday, which he described as generous for the time, when he opened a meeting at the Royal Society attended by academic and industrial research scientists directing work in the field. The gathering marks the twenty-fifth anniversary of

the discovery that when cells in the body are infected by an organism like an influenza virus, the cells manufacture a substance to neutralize the virus.

The word interferon was coined simply as a laboratory term for the composition of the agent.

After a quarter of a century, the questions being asked about interferon become increasingly profound. There is not one substance but a complicated family.

Furthermore, the biological properties of the interferons differ considerably and, hence, so does the medical usefulness of any particular substance.

Therefore the first of the formal sessions of the two-day Royal Society meeting

was devoted to a review of the present state of the science and the further work that needed to be done.

In some of the informal group discussions turned to medical applications, although the main papers on treatment of tumours will be presented today. But in one informal group details were given of a small trial at the Royal Free Hospital, London, of treating hepatitis — B virus. Results have been encouraging enough for the method to be considered for a wider trial.

Although the use of interferon in medicine seems to be on the brink of a big advance in several areas, the fact remains that the more scientists explore the substance, the more questions they provoke.

One of the world's foremost authorities on genetic engineering of interferon, Professor Charles Weissmann, of the Institute of Molecular Biology, Zurich, a founder member of the research company Elicogen, described how there were 18 different genes in a human cell which could be switched on to manufacture its own particular member of the strain of alpha-interferons. There is also a beta and a gamma strain.

The gamma type is the least understood, but many scientists believe it may prove the most effective when it is ready for trials as a therapy for cancer.

stance, the more questions they provoke.

One of the world's foremost authorities on genetic engineering of interferon, Professor Charles Weissmann, of the Institute of Molecular Biology, Zurich, a founder member of the research company Elicogen, described how there were 18 different genes in a human cell which could be switched on to manufacture its own particular member of the strain of alpha-interferons. There is also a beta and a gamma strain.

The gamma type is the least understood, but many scientists believe it may prove the most effective when it is ready for trials as a therapy for cancer.

The Pope's Canterbury visit Complex compromise stills church storm

By Clifford Longley Religious Affairs Correspondent

The inter-church storm which seemed to be going to break over the Pope's visit to Canterbury Cathedral in May has been averted by the Archbishop of Canterbury's announcement of details of the ceremonies and meetings, although there are still clouds on the horizon. At one point there was private talk of a boycott of the Canterbury events, in protest at the arrangements.

A complicated compromise has emerged. Dr Robert Runcie, who as leader of the Anglican Communion is official host for the entire Canterbury programme, is to invite all the members of the Free Church Federal Council, but not the members of the General Assembly of the British Council of Churches. He is also inviting several primates of the Anglican Church from overseas, and the whole General Synod of the Church of England.

Behind this pattern of invitations lies much negotiation with interested parties, but some tension still exists. The British Council of Churches has excused itself from the event by indicating that its attendance would have been "inappropriate."

It is being said that some of the Anglican primates, disapproving of the occasion, did not want to be invited, while others felt more should be made of the Anglican Communion aspect, and less of the Church of England's particular role. On the Free Church side, there are apparently two views, one favouring a full turn-out and one inclined to be cooler. It is significant that Cardinal Hume has been invited to address the congress of the Free Church Federal Council in Newcastle next month by its moderator-elect, Dr Kenneth Greet, secretary of the Methodist Conference.

Dr Greet says he intends to be at Canterbury, and knows what he will say to the Pope during the planned "informal

discussion". Dr Runcie had made room on the programme of that day for such encounters, thereby reassuring some of the Free churchmen who had previously been expressing their misgivings. The secretary of the British Council of Churches, the Rev Philip Morgan, has already had discussions with Cardinal Hume, Dr Runcie, and Archbishop Casanovi Torrella, vice-president of the Secretariat for Christian Unity in Rome. Mr Morgan expressed himself "well satisfied" with the arrangements.

Meanwhile, Lord Carrington, the Foreign Secretary, is understood to have replied to the letter of criticism he received from Free Church leaders of full diplomatic relations with the Holy See. The text was not released by the Foreign Office, but he is understood to have explained that diplomatic relations were a political matter rather than religious, and full relations with the Holy See were in Britain's diplomatic interests. Dr Greet, one of the signatories of the letter, said he would not take the matter further.

Two bishops of the Church of England have responded to misgivings in their church over the papal visit, with messages in their diocesan newsletters.

The Bishop of Guildford, the Rt Rev David Brown, stated that the "since are apparently wholehearted welcome" he expected the Church of England to give the Pope should not be misinterpreted as acceptance of Roman Catholic teaching.

The Bishop of Chichester, the Rt Rev Eric Kemp, says in his diocesan newsletter that the papacy of today is quite different from that of the sixteenth and seventeenth centuries.

Prejudices from the past should be set aside.

Riot school 'leader' defended

From our Correspondent Liverpool

The mother of the girl allegedly behind the terror at St Saviour's Church of England primary school in Liverpool spoke out yesterday.

She defended her daughter, aged 10, against claims from fellow pupils and parents, and added: "Whenever there is trouble at the school, she gets the blame."

Yesterday the girl, who was said to have run protection rackets, was at home with her family in Toxteth, and Clinging to her mother, she claimed that she was not involved in the classroom beatings and vandalism, which have forced the school to close for a cooling off period.

The girl's mother said "It is not fair that she should get all the blame. People say it is her fault because she is the biggest."

"She gets into mischief like all kids, but I would be shocked if she was doing what the others say."

One girl at the school claims she was burnt with a cigarette by the girl and younger boys say they were threatened with violence if they refused to pay protection money.

Mr Mike Storey chairman of Liverpool education committee confirmed yesterday that a relief headmaster would be drafted into St Saviour's on Monday.

Mr Arthur Cowman, former head of Toxteth primary school, will be among four new teachers when the school reopens.

Mr Storey said Mr Cowman had been chosen for his wide experience of work in Liverpool's troubled inner city. He added that it was unlikely that the present head would return on Monday.

Staff reinforcements will mean two teachers each for third and fourth year classes, Mr Storey said.

He went on: "An inquiry will begin on Monday and this could be followed by expulsions. We cannot tolerate children who terrorize others."

Mr Storey said that if there was a repeat of the riots at St Saviour's, the pupils would be ordered to stay off the premises.

Mr Cyril Kami, the caretaker of the school received a threatening telephone call yesterday warning him that he would receive a wreath. Minutes later, a large bouquet was delivered with the message: "Peace. Where there is bad there is twice as much good."

Community leaders were trying to rebuild the image of Toxteth yesterday after the outbreak of violence at St Saviour's School (A Correspondent writes).

At the Rialto Neighbourhood Council Centre, 100 teenagers were setting up a youth group aimed at quelling the disturbances. Mrs Cora Newell, aged 44, the administrator at the Rialto, said its purpose was to give young people a feeling of community pride.

Children sleep on the floor in strike

By David Hewson

Eight children in the care of Islington council in London spent last night in sleeping bags on the floor of a former old people's day centre after their homes were closed by striking members of the National and Local Government Officers' Association (Nalgo).

Senior council officers who are not among the 2,000 workers on strike prepared the makeshift accommodation for the children, who are aged between 11 and 15. All are sleeping on mattresses on the floor of the building, which has not been used for a year.

A rota of volunteer officials of the council, the only SDF-controlled authority in Britain, and local people has been prepared to look after the children. They were moved, with a police escort, and, in one case, through a picket line, on Tuesday night.

Mr Hugh Dewing, the council's chief executive, said the strike by the staff of two homes, in Highbury New Park and Sheringham Road, left the children unattended on Monday night. "They have not got beds now but they are at least safe and secure, warm, fed and cared for, which, after all, is our statutory duty."

Mr John Rea Price, the council's director of social services, who worked with colleagues and members of the public to make the day centre, in Corsica Street, habitable yesterday, said: "I

am very sad that the children have to be pawns in this game because our job is to care for them."

"The children are totally torn by this. For the most vulnerable kids we have is something I find rather difficult to understand."

Mr William Hendley, the council's principal officer for children's homes, said the position had been explained to the children. The homes would remain closed during the dispute.

Sheena Burgess, publicity officer for Nalgo's Islington branch, said the children concerned had been at risk before because of the council's understaffing of its children's homes.

"It could not be easier to settle this dispute; it is over one man's contract. The council has been aware of the unsettling effect of this and have tried to explain their point of view to the children."

The strike started in the council's housing department when a temporary staff member who was told that a permanent job he had been offered was no longer available. Last Friday it spread to the council's other departments.

The Nalgo branch is due to meet today to decide whether to continue the dispute. The council's disciplinary body met last night and discussed the future of the housing department worker whose grievance started the strike.

'EVIL' MAN LED BOYS INTO CRIME

A professional criminal who "exercised his evil influence" over young men of low intelligence to lead them into crime, was jailed for five years at Inner London Crown Court yesterday for burglary and handling stolen documents.

Michael Heston-Francois, aged 47, who took part in the world's biggest art theft, of Rembrandt and Rubens paintings, in 1967, was told by Judge Shindler, QC: "You surrounded yourself by young men between 16 and 18 years of age, of low intelligence, while you are a man of very high intellect and cunning. You corrupted and led them into a life of crime."

Heston-Francois appeared to be the "poacher turned gamekeeper" after completing a seven-year jail sentence in 1974 for handling the £1.5m art treasures some of which were stolen from the Dulwich Gallery, London. He joined the Clerkenwell Workshops Project, London, as a caretaker, and worked his way up to security officer. It was in this position that he stole jewelry or precious metals valued at thousands of pounds.

Colin Gayton, aged 19, of Bowling Green Estate, Clapham, was put on probation for two years on two charges of burglary.

SHOOTING PLEA BY CORONER

A coroner yesterday recommended stiffer sentences when live ammunition is used during army exercises.

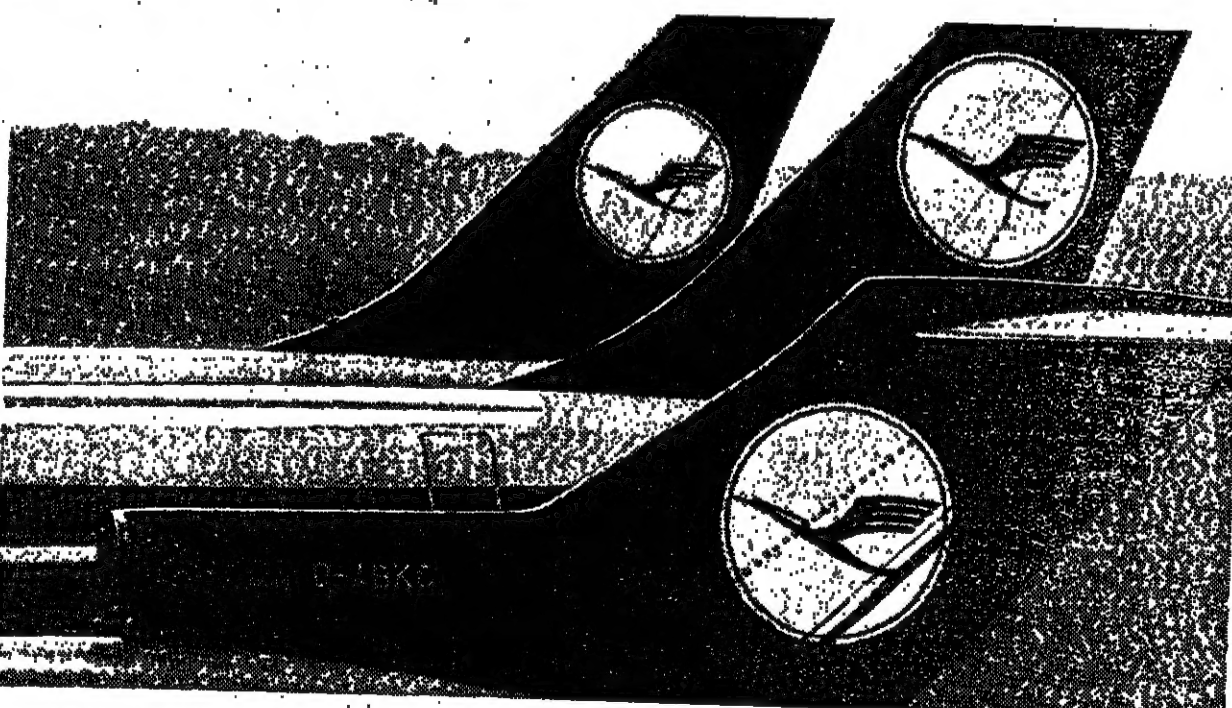
His suggestion, to the Ministry of Defence, comes after the death in December 1980 of Paul Nicholas Pendry, aged 22, a lieutenant in the 32nd Guided Weapons Regiment, Royal Artillery. He died four days after receiving a head wound during an exercise at Sennybridge, near Brecon.

Recording a verdict of accidental death on Lieutenant Pendry, of Bridge, near Canterbury, a post-mortem examination gave the cause of death as a gunshot wound.

Professor Bernard Knight, who carried out a post-mortem examination, gave the cause of death as a gunshot wound.

The coroner said it was not possible to decide from which rifle the bullet was fired, and a search failed to reveal any rocks or large stones from which the bullet might have ricocheted. There was no evidence to suggest the wound had been caused deliberately.

It's nice to know that some airlines still have class.



Some of our competitors are trying to tempt you with a lot of new promises. Promises of fancy new classes, improved service, more punctuality and so on.

Lufthansa prefers proven standards to promises. So we are not going to compromise on our offer. We offer you an unbeaten punctuality record. We offer you Europe's youngest fleet, with the comfort of the latest 727 and 737 City Jets, as well as the widebody-comfort of the Airbus.

We continue to give you the choice of First Class or our full-service Economy Class including your choice of free drinks on all European flights.

We offer you 16 non-stop flights daily to Germany. And, via Frankfurt, we connect you to every major business or leisure centre in the world.

This is what has made us a leading airline, well-trusted by its passengers. And that's the way it will stay, no matter what the competition offers next as sensational improvements. At Lufthansa they have been regular features for years. After all, we did not become your first-choice airline because we serve free drinks in Economy Class in Europe.



Lufthansa
German Airlines

PARLIAMENT February 24 1982

Minister rules out big subsidy for London fares

TRANSPORT

Any return to the sort of increase in rate-borne subsidy for public transport which the Greater London Council was apparently intending to inflict on London, and for which it had been campaigning, was ruled out by Mr David Howell, Secretary of State for Transport.

He was moving the second reading of the Transport Concessions (London) Bill which gave the GLC the same powers as other authorities to pay for travel concessions for elderly and disabled people.

This Bill did all that was necessary by way of legislation to sort out the position for the rest of this year, he said. He was looking at the overall travel position further ahead and had asked Mr Ken Livingstone, the Labour Leader of the GLC, and Sir Peter Mansfield, Chairman of London Transport, to come and meet him.

Mr Howell said the Transport Act 1968 gave these powers to counties and districts. These were extended to London Boroughs by the London Transport Act 1969, but not to the GLC. In 1974, the arrangements made for the London boroughs were superseded by a London-wide scheme instituted by the GLC.

Following the House of Lords decision in the Bromley Council case, the GLC now told him it had been advised it could not use power to subsidize London Transport to pay for concessionary travel.

There had been alarmist, irresponsible statements which had caused anxiety to London old people, on January 14, he said. Mr Livingstone had said the Government believed the tangle should be cleared up. He had said it was willing to introduce legislation to bring the GLC's powers to provide for concessionary fares into line with those of other local authorities.

He was introducing the Bill so that the GLC could continue to pay travel concessions. It would be for them to decide how to use the powers which the Bill conferred.

There was no question of large additional grants to the GLC for this purpose, as had been erroneously reported.

The Government supported the payment of a reasonable level of subsidy to maintain essential public service services. Nationally, £1,200m in bus and rail subsidies this year was being provided, he was concerned to ensure that London had a reasonable financial base for public transport in London.

It could not be argued that London Transport was without heavy public support. When it was handed over to the GLC originally, the Government wrote off debt of £270m to start with a clean sheet.

The GLC had pursued a policy of providing capital funds free so LT had not had to meet interest charges on borrowing for capital investment. This represented a further considerable subsidy.

In its recent publicity campaign, the GLC had totally misrepresented the extent to which LT had been subsidized in the past. Mr Livingstone had said he would be happy if LT could be subsidized to the same extent as British Rail, London and South Eastern commuter services.

In fact the proportion of subsidy had been comparable. All was not well before the Labour Party took office last May with falling traffic and costs increasing far more than the movement in prices generally.

Between 1970 and 1980, passenger declines by 20 per cent, but the number of staff remained about the same. After the appointment of Sir Peter Mansfield in August 1980 they were start to improve performance, but then came the 25 per cent fares cut which actually represented 32 per cent.

The findings of the courts demonstrated how that decision was taken on a purely political

basis without consideration for the consequences.

The damage it did was not just to transfer a major share of the cost from travellers to rate-payers, but, even worse, it reversed progress towards improved efficiency and reduced costs made under Sir Peter Mansfield.

Indiscriminate subsidies did little to do with the underlying problems. On the contrary, the knowledge that somebody else would pick up the bill reduced pressure to be efficient and cost-effective. The GLC wanted more bus miles to be run, more employees to be taken on, and to provide bigger wage settlements.

The first consideration must be to provide services as efficiently and economically as possible which were able to meet the real costs.

London Transport was beginning to make progress here until the new regime appeared on the scene. There were three sources: the customer, the ratepayer and the taxpayer. In London, they had got hopelessly out of balance.

Excluding any loss of block grant, it would have cost them £1,200m over the next four years over and above the grants LT normally got. The additional annual support would have risen from about £250m next year to more than £400m in 1985-86.

The first task following the decision in the Bromley Council case, the GLC now told him it had been advised it could not use power to subsidize London Transport to pay for concessionary travel.

There had been alarmist, irresponsible statements which had caused anxiety to London old people, on January 14, he said. Mr Livingstone had said the Government believed the tangle should be cleared up. He had said it was willing to introduce legislation to bring the GLC's powers to provide for concessionary fares into line with those of other local authorities.

He was introducing the Bill so that the GLC could continue to pay travel concessions. It would be for them to decide how to use the powers which the Bill conferred.

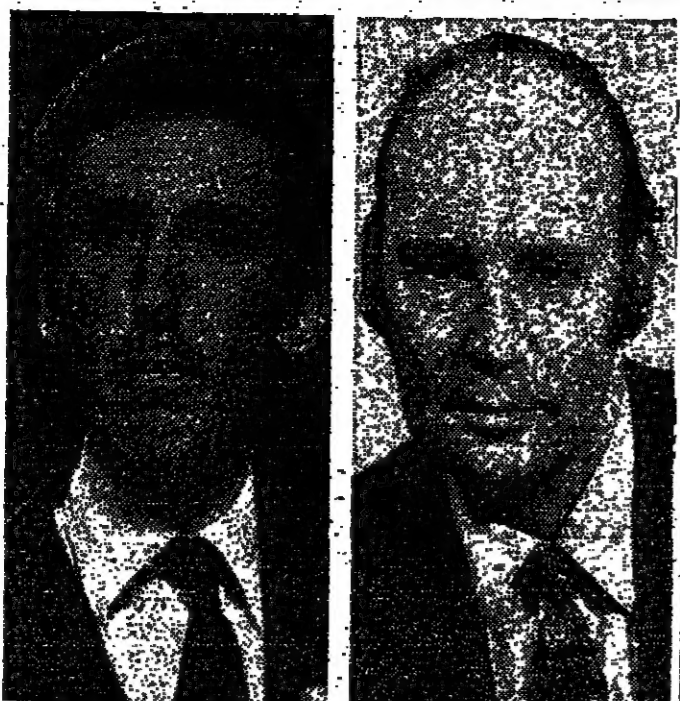
There was no question of large additional grants to the GLC for this purpose, as had been erroneously reported.

The Government supported the payment of a reasonable level of subsidy to maintain essential public service services. Nationally, £1,200m in bus and rail subsidies this year was being provided, he was concerned to ensure that London had a reasonable financial base for public transport in London.

It could not be argued that London Transport was without heavy public support. When it was handed over to the GLC originally, the Government wrote off debt of £270m to start with a clean sheet.

The GLC had pursued a policy of providing capital funds free so LT had not had to meet interest charges on borrowing for capital investment. This represented a further considerable subsidy.

In its recent publicity campaign, the GLC had totally misrepresented the extent to which LT had been subsidized in the past. Mr Livingstone had said he would be happy if LT could be subsidized to the same extent as British Rail, London and South Eastern commuter services.



Howell: No large grants

Hughes: Downward spiral

decision there would be increases in fares of 100 per cent at least, he said.

Nothing frustrated the travelling public more than the gap between the published schedules and the actual buses which were running. Failure to meet schedules was devastating to people's mobility.

Increasing fares led to a drop in passengers and loss of revenue. Loss of revenue compelled a reduction of services and passengers were put in alternative private transport.

London Transport (he said) is now locked into a vicious downward spiral which, unless apparently known how to end. All this is a direct result of the law lords' decision.

The Fares Fair policy had been a rational part of an integrated transport scheme. The GLC had always believed it had been acting within the law in implementing the mandate from the electorate and there now remained some confusion about the legal situation.

The right course was to remedy the deficiency in the law exposed by the law lords and the Opposition would seek to do that.

Mr John Hunt (Bromley, Ravensbourne, C) ratepayers had not participated in the massive increase in the rates which followed the Fares Fair scheme.

One of the most unfair aspects of the policy had been its effect on the elderly. As holders of concessionary passes they had not benefited from the low fares but as ratepayers they had to pay the supplementary rate.

The scheme had destroyed the balance between ratepayers and fare payers, bringing the scales down firmly in favour of the traveller.

Mr Douglas Jay (Wandsworth, Battersea North, Lab) said the Government seemed unable to treat this serious issue as anything more than a petty party political and almost juvenile squabble.

More investment in public transport facilities was essential.

Mr Robert Hughes, an Opposition spokesman on transport, said the Government's policy was to spread the burden of last year's deficit over several years. The GLC chose not to take it and had increased the rates to pay off the deficit.

He hoped ratepayers would demand a corresponding reduction in the rates the year after.

He offered to widen London Transport's borrowing powers to spread the burden of last year's deficit over several years. The GLC chose not to take it and had increased the rates to pay off the deficit.

There was no doubt, whatever the law lords judgement, that at present London was being treated in a different and worse way from the rest of the country. Nobody knew what the law was so in these circumstances it was Mr Howell's duty to legislate instead of simply not carrying out his duty.

Mr Francis Higgins (Walthamstow, C) said it was time they looked at the question of concessionary bus fares otherwise people in London and pensioners were put in a privileged position compared to other areas with a high percentage of elderly people. There was an unnecessary cost to the duties it performed could be delegated to local authorities before it was conferred to central government.

Mr Nigel Spiering (Newham, South, Lab) said he did not think the fares increase was going to be a success. He was going to have to search for new solutions because on top of the swingeing increases there were going to be cuts in services.

There was an alternative to the package which the courts had imposed upon the GLC and now the Government realized that there had to be another answer. He hoped that Mr Howell would produce it whether by legislation or some other means before March 21, because the package would be to the detriment and disservice of the capital city.

Mr Peter Bottomley (Greenwich, Woolwich West, C) said the GLC tried to put up a Concorde development in public transport. The cost over four years had been estimated at £1,200m.

Wherever the present GLC found a problem it threw money at it without stopping to count the cost.

More investment in public transport facilities was essential.

Mr Robert Hughes, an Opposition spokesman on transport, said the Government's policy was to spread the burden of last year's deficit over several years. The GLC chose not to take it and had increased the rates to pay off the deficit.

He hoped ratepayers would demand a corresponding reduction in the rates the year after.

He offered to widen London Transport's borrowing powers to spread the burden of last year's deficit over several years. The GLC chose not to take it and had increased the rates to pay off the deficit.

Mr Robert Hughes, an Opposition spokesman on transport, said the Government's policy was to spread the burden of last year's deficit over several years. The GLC chose not to take it and had increased the rates to pay off the deficit.

He hoped ratepayers would demand a corresponding reduction in the rates the year after.

He offered to widen London Transport's borrowing powers to spread the burden of last year's deficit over several years. The GLC chose not to take it and had increased the rates to pay off the deficit.

Heseltine to hold talks on rural problems

HOUSING

The lack of new development and the provision of new services in villages was leading to tragic consequences, Lord Hailsham (C) said when opening a debate on rural housing.

He said that planning controls were more restrictive in the country than in towns, leading to a scarcity of sites and of houses. Private renting had declined dramatically and the supply of tied houses in the country had been reduced with lost jobs in agriculture.

There were fewer council houses and the high cost of providing small houses in small villages had made it more difficult for local authorities and housing associations to provide extra housing for rent. The consequences could be serious, and even tragic.

Central government should recognize the needs of villages and ensure they had proper planning controls.

Lord Hailsham (C) said the financial policy of the Government had led to the undesirable situation where almost all housing in the country was in the private sector, and elsewhere, had been frozen.

Local government should be given a great deal more power. It was not fair to its electorate and should not be shackled in the way it was.

It was monstrous that local housing for people living locally at prices they could afford, were being forced to sell houses to private landlords at prices far above what they were worth.

Lord Hailsham (C) said that rapid changes in modern communications would mean that many numbers of people who had worked in the cities would be able to live and work in the country. That would increase demand for housing and would put up the price of houses in the country.

The Bishop of Hereford, the Rt Hon John Eastwood, said that one of the greatest concerns in rural areas was the departure of young married couples. Most villages had large properties, including houses and farms, which were too large and could be converted to sheltered housing or to flats for the single homeless.

Lord Hailsham (C) said that council housing should be stepped up in rural areas. There was a crying shortage of houses for rent in rural areas which could be provided if their were more old people's homes for the elderly to move to, but the children regional planning committee, which was only £400 a week because the costs were averaged out over a whole range of provision.

The cost of keeping each girl at the new Spurston Terrace Regional Assessment Centre in the London Borough of Hackney — a home for disturbed and delinquent — was likely to be in the region of £275 a week, Lord Hailsham (C) said.

Lord Hailsham (C) said it worked out at 10 times the cost of sending a girl to the most expensive girls' school.

Lord Hailsham (C) said it was not unreasonable to spend a little more on girls who had reached such extremes of delinquency, and if the home either saved their lives or kept them out of prison or Borstal the money had been well spent.

He told Lady Platt of Writtle (C), who asked whether less expensive methods such as intermediate treatment or foster care could be used, that some girls were in such a desperate plight that they must be in special accommodation.

The new property carried a heavier debt charge than an older building, but under the London council as a result of the weather emergency.

Mr John Manton (Glasgow, Cathcart, Lab): Thousands of my constituents and other people in Glasgow are living in appalling conditions because of a burst pipe. Will he provide extra money for Glasgow to ensure that repairs are carried out as expeditiously as possible so that the human misery can be alleviated?

Mr Riffkind: The cost involved in Glasgow is substantially less than has originally been suggested. As for the effects on individuals who have lost property or had property damaged, the European Community is providing certain funds to the United Kingdom and Scotland will be getting its full share.

Mr Donald Dewar, an Opposition spokesman on Scotland (Glasgow, Garscadden, Lab): While the sum may be less than at one time had been feared, it is a substantial sum which would last a long time in the Glasgow Glasgow District Council's budget. The money from the European Community is likely to be inadequate when measured against the damage done to the city.

He should not stand on the niceties of what is insurable or uninsured but should take a sympathetic view.

Mr Riffkind: Help from the European Community is available to individual householders and not to the local councils. My officials have been discussing what part of that expenditure would have been insurable had the council followed the advice of the last Labour Government.

problem could only be solved by an increase in housing.

Lord Hailsham (C) said that present policies based on crash criteria were most destructive to rural life. They did not pay enough attention to social and human need.

Young people who should keep village traditions continuing were moving away and local bus services and village schools were facing closure. Good housing was essential for the foundation of family life.

The Earl of Avon, for the Government, said the Secretary of State for the Environment would shortly be discussing problems facing rural areas with senior ministers. The organization Rural Voice, an umbrella group set up 18 months ago covering bodies concerned with rural affairs.

The Government attached great importance to the preservation of the countryside, areas of outstanding beauty and national parks. Green belts must be preserved and loss of agricultural land kept to a minimum. New housing developments in rural areas should be in or near existing villages and hamlets rather than on green field sites.

Economic activity could do a great deal to preserve local communities. Planning authorities had been asked to be sensible and sympathetic and not impose their taste by demanding special building materials unless there was good reason.

The short-term tenancies provided by the Government in the new Housing Act were designed to increase private rented accommodation in rural and urban areas. But the Labour Party's commitment to repeal the Act served to undermine confidence in these short-term tenancies.

The gross provision for the housing corporation for 1982-83 of £550m should be the same in real terms as this year. That meant that the Government would have maintained the corporation's programme at the same level for three consecutive years despite the pressures on public expenditure.

That also indicated the importance which the Government attached to the work of housing associations. Of that gross provision less would be required in the current year to meet demand on existing projects, so it was possible to make some significant increases in other parts of the programme.

Although the corporation had concentrated on funding associations and on relieving housing stress in urban areas, it was trying to maintain a programme of support for rural schemes.

A significant proportion of their expenditure might not have been insurable in the normal circumstances. If that was confirmed, then that sum will be eligible for grants in the normal way.

Mr Riffkind: Information on the total number of people arrested at football matches is not collected by my department.

Mr Brown: Many of those arrested have religious differences and do not go specifically to watch football. Is it not a disgrace that Rangers FC do not employ any Catholics? (Labour shouts of "Answer".)

Mr John Manton (Glasgow, Cathcart, Lab): The Government introduce legislation concerning drink at football grounds and it would be much more responsible if, in order to monitor the working of that Act, it kept statistics about the number of arrests.

Mr Riffkind: We do not have information on the number arrested. That covers a whole series of different circumstances. We do have information on the number of new offences under the Criminal Justice Act.

Elitism is defended by president of Nobel foundation

By Diana Geddes, Education Correspondent

A strong defence of elitism was made by Mr Stig Ramel, the Swedish president of the Nobel Prize Foundation, in London yesterday.

Delivering the fourth Israel Stieff lecture at the Royal Institution, Mr Ramel said that for many people elitism was the equivalent of a four-letter word. Consciously or unconsciously they suppressed the fact that we could not survive without an elite.

"Anti-elitism has become a powerful force in our societies. It has had a strong impact on our educational system, which unfortunately has led to a decline in the quality of education in schools and universities, a decline which in the long run will not only have a devastating effect on our material well-being, but will also undermine the social safety net of the welfare state."

He said in his own country "the dangerous drift to level out the peaks of brilliance into the flat-land of mediocrity" had already had serious consequences for the development of science and technology.

Young people were not getting the education society needed to keep its competitive strength. Sweden had been forced to slow or stop social reforms.

The Nobel Prize, representing the crowning of an elite, had, of course, become a marvellous target for the crusaders of anti-elitism, he said. As the "best and the brightest", the Nobel prize winners stood as symbols for the pursuit of excellence.

He believed the glamour of the Nobel prizes stimulated young people's interest in science and encouraged them to strive for excellence, to the benefit of the whole of society, including the so-called "losers".

Turning to the marked tendency of Nobel Prize-winners in recent years to be immigrants or refugees from other countries, Mr Ramel said he believed that people who broke away from their home environment to start a new life often became more creative.

Five out of 10 of last year's prize winners, for example, had got their education in a different country from that in which they were now resident. "This gives a thin silver lining to the dark clouds of tragedy and suffering now towering over the streams of refugees which flood the world," he said.

In the United States they cheered the fact that so many Nobel prizewinners were United States citizens. "What they should celebrate is the fact that American universities offer the most stimulating intellectual environment in the world and that these universities have become havens for people hounded by political persecution elsewhere."

Mr Ramel said that the Nobel Prize winners were not getting the education society needed to keep its competitive strength. Sweden had been forced to slow or stop social reforms.

The Nobel Prize, representing the crowning of an elite, had, of course, become a marvellous target for the crusaders of anti-elitism, he said. As the "best and the brightest", the Nobel prize winners stood as symbols for the pursuit of excellence.

He believed the glamour of the Nobel prizes stimulated young people's interest in science and encouraged them to strive for excellence, to the benefit of the whole of society, including the so-called "losers".

Turning to the marked tendency of Nobel Prize-winners in recent years to be immigrants or refugees from other countries, Mr Ramel said he believed that people who broke away from their home environment to start a new life often became more creative.

Five out of 10 of last year's prize winners, for example, had got their education in a different country from that in which they were now resident. "This gives a thin silver lining to the dark clouds of tragedy and suffering now towering over the streams of refugees which flood the world," he said.

In the United States they cheered the fact that so many Nobel prizewinners were United States citizens. "What they should celebrate is the fact that American universities offer the most stimulating intellectual environment in the world and that these universities have become havens for people hounded by political persecution elsewhere."

Mr Ramel said that the Nobel Prize winners were not getting the education society needed to keep its competitive strength. Sweden had been forced to slow or stop social reforms.

The Nobel Prize, representing the crowning of an elite, had, of course, become a marvellous target for the crusaders of anti-elitism, he said. As the "best and the brightest", the Nobel prize winners stood as symbols for the pursuit of excellence.

Rugby star 'gave away' £25,000

By George Clark

Welsh rugby player, the Welsh rugby player, gave away £25,000 of the money from his autobiography because two national newspaper stories branded him a "shameless" man.

It was alleged in the High Court in London, yesterday.

John Reeson, former rugby correspondent of The Daily Telegraph, told Mr Justice Russell and a jury it was only by unloading the money that Mr Williams could sue him over the articles.

Cross-examining Mr Reeson, Mr Richard Hartley, QC, for the player, in his libel action, said: "It is an expensive way of conducting a libel action, giving away £25,000." Mr Reeson replied: "Yes."

In his closing speech for the defence, Mr Charles Gray said that the "sacred" ideal in rugby, said Mr Reeson, was "very considerable importance to it."

In his closing submissions for Mr Williams, Mr Hartley said the articles were "plainly defamatory" and had seriously affected the player's reputation.

Mr Williams, an orthopaedic surgeon of Llanstonor, South Glamorgan, is claiming damages against The Daily Telegraph, its editor, Mr William Deedes, and Mr Reeson over two articles published in February and March, 1979, which alleged he had been accepting money from his book.

Mr Williams, an orthopaedic surgeon of Llanstonor, South Glamorgan, is claiming damages against The Daily Telegraph, its editor, Mr William Deedes, and Mr Reeson over two articles published in February and March, 1979, which alleged he had been accepting money from his book.

Mr Williams, an orthopaedic surgeon of Llanstonor, South Glamorgan, is claiming damages against The Daily Telegraph, its editor, Mr William Deedes, and Mr Reeson over two articles published in February and March, 1979, which alleged he had been accepting money from his book.

Mr Williams, an orthopaedic surgeon of Llanstonor, South Glamorgan, is claiming damages against The Daily Telegraph, its editor, Mr William Deedes, and Mr Reeson over two articles published in February and March, 1979, which alleged he had been accepting money from his book.

Mr Williams, an orthopaedic surgeon of Llanstonor, South Glamorgan, is claiming damages against The Daily Telegraph, its editor, Mr William Deedes, and Mr Reeson over two articles published in February and March, 1979, which alleged he had been accepting money from his book.

Mr Williams, an orthopaedic surgeon of Llanstonor, South Glamorgan, is claiming damages against The Daily Telegraph, its editor, Mr William Deedes, and Mr Reeson over two articles published in February and March, 1979, which alleged he had been accepting money from his book.

New models lead BL's fight back

BL's strategy to recapture its share of British and world markets is based on an ambitious new model programme.

No less than fifteen new car models, trucks or buses are being launched this year.

Other new products are already winning back customers. First car out of the stable was the Austin Metro which proved to be a world-beater in its first year.

Recent launches have included the immediate successful Triumph Acclaim, the Roadtrain, voted European truck of the year, new, fuel-efficient Jaguars, an entire new range of Rovers and the 4-door Range Rover.

Further launches will include the stylish 5 door Ambassador, new Metro models and the eagerly awaited mid-car range, code named LMI0.

Many millions of £s of investment have gone into these models to make sure they are sales winners from the word go.

Each one demonstrates BL's determination to produce a new standard in automotive engineering that embraces high technology, value for money, quality and reliability.

Best news of all perhaps is the fact that they're made in Britain.

BL Fighting back

Mr Riffkind: The cost involved in Glasgow is substantially less than has originally been suggested. As for the effects on individuals who have lost property or had property damaged, the European Community is providing certain funds to the United Kingdom and Scotland will be getting its full share.

Mr Donald Dewar, an Opposition spokesman on Scotland (Glasgow, Garscadden, Lab): While the sum may be less than at one time had been feared, it is a substantial sum which would last a long time in the Glasgow Glasgow District Council's budget. The money from the European Community is likely to be inadequate when measured against the damage done to the city.

He should not stand on the niceties of what is insurable or uninsured but should take a sympathetic view.

Mr Riffkind: Help from the European Community is available to individual householders and not to the local councils. My officials have been discussing what part of that expenditure would have been insurable had the council followed the advice of the last Labour Government.

Mr Riffkind: The cost involved in Glasgow is substantially less than has originally been suggested. As for the effects on individuals who have lost property or had property damaged, the European Community is providing certain funds to the United Kingdom and Scotland will be getting its full share.

Mr Donald Dewar, an Opposition spokesman on Scotland (Glasgow, Garscadden, Lab): While the sum may be less than at one time had been feared, it is a substantial sum which would last a long time in the Glasgow Glasgow District Council's budget. The money from the European Community is likely to be inadequate when measured against the damage done to the city.

He should not stand on the niceties of what is insurable or uninsured but should take a sympathetic view.

Mr Riffkind: Help from the European Community is available to individual householders and not to the local councils. My officials have been discussing what part of that expenditure would have been insurable had the council followed the advice of the last Labour Government.

Sixth sense?

Proposals that schools should lose their sixth forms stir up more bitter controversy than any issue since comprehensives were first thought of. This week The Times Educational Supplement tries to sort out the facts from the fears. Sixth form and tertiary colleges can offer more chances but what happens to the 11 to 16 schools left behind? Will the best teachers want to teach in them? Will the pupils miss out on subject choice and are they less likely to stay on? As pupil numbers fall — and before the schools run out of sixth formers — the need for answers is urgent.

It's all in The Times Educational Supplement on sale at your newsagent this week... it's a vital issue for all concerned.

THE TIMES Educational Supplement On sale at your newsagent this week 45p

to set the record in the season — Agence France-Press

(Left) (Caption) (Right) (Caption)

(Left) (Caption) (Right) (Caption)

(Left) (Caption) (Right) (Caption)

(Left) (Caption) (Right) (Caption)

(Left) (Caption) (Right) (Caption)

(Left) (Caption) (Right) (Caption)

(Left) (Caption) (Right) (Caption)

Sec hit spe

Scottish... yesterday... attack on... cities in... ing.

The... position... Authorities... Fitzwilliam... Regional... press confer... burg that... in Scotland... was in... government... like the... Mr P... on the... detailed... the relat... local and... in Scotland... time in... spoke... private... to... damage... that... in its det... local govern... the Govern... fundamen... ques... Mr Ron... scathed... ch... said... strategy... ger... Sec... Scotland... council... Walker... Spanis

New... Spain... registering... long... the Govern... Mr... Minister... Fisheries... nounced... Govern... when the... to... such... issues.

The Minister... strong... South... while... Spanish... a... fishing... exploited... the... and... of... Down... post of... waters are... sent

Scottish councils hit back on spending curbs

From Jonathan Wills, Edinburgh

Scottish local authorities yesterday began a counter attack on government policies to curb council spending.

The president of the Convention of Scottish Local Authorities, Mr William K. Fitzgerald, of Tayside Regional Council, told a press conference in Edinburgh that council spending in Scotland was now 16.1 per cent less in real terms than it was in 1975-76. Central government had made nothing like the same cutback.

Mr Fitzgerald was speaking on the publication of a detailed convention report on the relationship between local and central government in Scotland. The report, *A Time to Listen - A Time to Speak Out*, says the public sector is not a parasite on the private sector, but complementary to it.

"Thoughtless attacks on the public sector were far more likely to damage the private sector than restore it to health, and in its determination to cut local government spending, the Government had ignored 'fundamental constitutional questions'."

Mr Ronald G. Young of Strathclyde Regional Council, said that the pressing strategy of Mr George Young, Secretary of State for Scotland, was "dangerous, counter productive, ill-con-

ceived, slipshod and, frankly, dishonest".

Mr Younger, he said, was trying to alter the whole basis of local government by making his financial guidelines mandatory rather than indicative. The convention had at first welcomed the idea of overall spending guidelines, but those were now being used to control the details of each council's budget and to impose sanctions on those local authorities who fell out of line.

The group was so concerned at that trend that it had seriously considered calling the report *Towards 1984*.

Mr Young said that the Government was deliberately shifting the burden of council spending from the taxpayer to the ratepayer. The Secretary of State policy was leading to higher rates for the very people he had wished to protect, the small businessmen of Scotland.

Mr John Sewell, of Aberdeen District Council, agreed, and said that Scottish councils would have to put up their rates by 18 per cent this year on average just to maintain the present level of services.

The centralized control of council finance over the past year represented a big shift of power, he said, and that had "very worrying implications".

Walker will act over Spanish fish armada

By Craig Seton

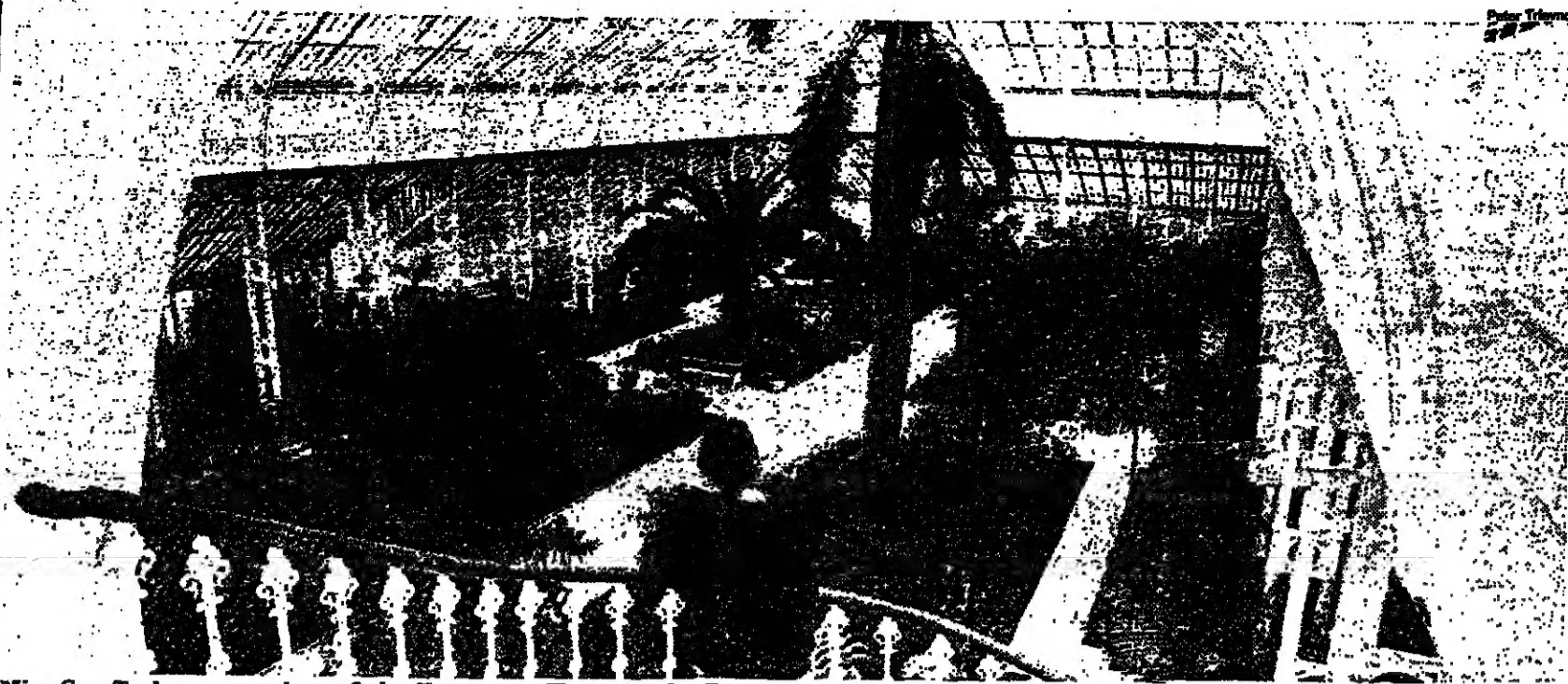
New controls to stop Spanish fishing boats re-registering in Britain to gain access to EEC waters are being urgently considered by the Government.

Mr Peter Walker, the Minister of Agriculture, Fisheries and Food, announced yesterday that the Government was seeking to tighten the enforcement of rules to check registration abuses.

The Minister was reacting to strong protests from the South-west, where a so-called Spanish armada of more than 55 fishing vessels has exploited a loophole to re-register under British ownership and adopt home ports in Devon and Cornwall, although most of their catches in EEC waters are sent to Spain.

The issue had been raised by Mr David Harris, European MP for Cornwall and Plymouth, who said that many of the Spanish vessels were now owned by front companies which had been set up in Britain over the past 18 months.

In a letter to Mr Harris, Mr Walker said yesterday that the Department of Trade had been investigating several British companies used for the re-registration of Spanish vessels. Inspectors had found, however, that one of the companies the MP had named, although it operated from the address of an antique dealer in west London, still satisfied the criteria of the Merchant Shipping (Fishing Boat) Registry Order, 1981.



Miss Soo Tasker, supervisor of the Temperate House at the Royal Botanic Gardens, Kew, looking over the newly modernized building yesterday. The house, closed for safety reasons in 1972, has been extensively rebuilt and more than 3,000 varieties of plants have been put in. It will be reopened by the Queen on May 13.

Perfume fraud case detective praised

By Stewart Tendler, Crime Reporter

The detective who tracked down and caught Siegmund Sperber, the international confidence trickster wanted throughout Europe, was commended yesterday by a judge at the Central Criminal Court for his "industry, skill and dedication".

The commendation was given to Detective Sergeant John Mullally of Scotland Yard's Fraud Squad at the end of a £271,000 perfume fraud trial. On Tuesday Sperber, known in Britain as George Pratt, was jailed for five years for his part in the fraud and yesterday *The Times* disclosed details of his career as the master of a cheque fraud system across Europe.

Sgt Mullally spent months pursuing Sperber and eventually gave evidence for 14 days during the trial. He suffered a heart attack during his investigations and is retiring. Yesterday was the completion of his last case.

Judge Neil McKinnon, QC, told him: "I have rarely known a case more complex or where the outcome was so dependent on the industry, skill and dedication of one man, a police officer. You are that man and I direct you be highly commended for your effort and this be placed on your record".

The commendation was made after the judge had sentenced two men for their part in the perfume swindle which involved defrauding the National Union Bank which unwittingly advanced money to a perfume company on the basis of false invoices.

TV hearing rules 'unfair'

By Kenneth Gossling

Another protest about the way the Broadcasting Complaints Commission handles evidence is made today after an adjudication on a programme made by Southern Television.

Southern, which formerly held the commercial franchise now operated by TV South, is the third organization to complain about the commission's hearing of complaints. The others were London Weekend Television and the BBC.

The commission upholds a complaint by Mr Nigel Nicolson over a regional documentary shown last August, entitled *All Passion Spent*, which dealt with the unconventional marital relations of his parents, Sir Harold Nicolson and Vita Sackville-West.

Southern, the commission says, took insufficient steps to ensure that Mr Nicolson fully appreciated the treatment it intended to give the subject before he agreed to participate and relinquish his copyright.

In a statement, Southern says: "The producing company is in the position of a defendant but without the opportunity of confronting its accuser and with no chance of challenging his or her allegations in front of the commission."

Scotland advised to abolish the tawse

By Lucy Hodges

Scottish authorities have been advised to abolish the beating of boys in schools hours before the European court of Human Rights gives judgment in a case brought by two Scottish women.

The European judges in Strasbourg will deliver their decision today. If they rule against Britain, as the European Commission of Human Rights did last year, the judgment could have far-reaching effects.

The United Kingdom, alone in Europe, continues to allow the beating of school children. The Irish Republic banned the practice on the first of this month. Mr George Younger, the Scottish Secretary, has issued advice that it should be phased out in Scotland by July 1984.

The complaints brought by Mrs Grace Campbell of Glasgow, and Mrs Jane Cosans, of Fife, about the use of the Scottish tawse, a leather strap applied to the palm of the hand, hinge on a technicality because their children were not "beaten".

But the commission said that because the parents could not have their children taught "in conformity with their own religious and philosophical conviction" that was a breach of the European Convention on Human Rights. The commission did not

NEWS IN SUMMARY

Insurance group broke race Act

A Lloyds syndicate of insurance underwriters has admitted to breaking the Race Relations Act by refusing to give car insurance to Mrs Erica Mainprize, a Canadian-born woman who lives in Britain (Lucy Hodges writes). It has also agreed to pay her damages of £150 and her legal costs.

Mrs Mainprize, of Gildersdyke, Humberstone, who is married to an Englishman, applied through brokers to Safeguard Motor Policies for car insurance in her own name. But she was told the company had rejected her because she was not born in the United Kingdom.

She complained to the Commission for Racial Equality and legal proceedings began.

Doctor returns to Soviet Union

Dr Vladimir Marmalyov, aged 34, who jumped ship in Liverpool on February 9 and sought political asylum in the United Kingdom returned to the Soviet Union on Wednesday February 17, it was confirmed yesterday.

The Home Office gave Dr Marmalyov permission to stay for six months. After that, his application to stay permanently would be reviewed. Yesterday, Mrs Jeanne Townsend, information officer for the British Refugee Council, said: "The Soviet consul has confirmed that Dr Marmalyov left London on February 17".

Police win pools

Five detectives in Reading, Berkshire, have won £23,388.65 for a £3 stake on Littlewoods pools. They are Detective Sergeant Robert Longland, aged 39, Detective Constable Johnson, aged 25, David Gill, aged 25, Glenn Henham, aged 27, and Fred Coleman, aged 34.

'Legion' suspect

A Derbyshire woman, aged 46, was seriously ill in Chesterfield Royal Hospital yesterday with suspected legionnaire's disease. The woman works in the Chesterfield packaging factory of Robinson and Sons.

First-time chick

An albatross chick has been hatched for the first time in captivity at Birdland Sanctuary, Bourton-on-the-Water, Gloucestershire.

UNFORTUNATELY MOST PEOPLE ONLY SEE ONE SIDE OF THE SAAB TURBO.

Saab (Gt. Britain) Ltd, Saab House, Fieldhouse Lane, Marlow, Buckinghamshire SL7 1LY Telephone Marlow (06284) 6977 Export Enquiries telephone 01-409 0990. Source of performance figures: Saab Scania A.B.

With a top speed of 122 mph and a unique turbo engine that brings a new dimension to overtaking, it's not surprising that the rear end of the Saab Turbo has become a pretty common sight on British roads today.

Yet if you caught one stationary you'd find there's more than one side to a Turbo, than performance and acceleration.

For instance, a glance inside at the plush velour upholstery will immediately tell you you're going to be driving in luxury.

Sink into the sumptuous seats and you'll soon realise you're in a very stylish and spacious five-seater saloon. With the two front seats having a feature you'll definitely warm to in winter. Electric heating.

However, beneath that rear spoiler you'll probably be surprised to find something that spoils the capacity claims of many estate cars. A huge boot that more than doubles in capacity simply by folding down the rear seat.

You could say we play it safe by combining fast sports car performance, luxury saloon car comfort, and the practicality of lots of loading space with easy access.

Practical safety also comes with such features as diagonally split servo-assisted disc brakes all round, progressive power-steering, which hardens up when motoring hard and loses its tautness so ingeniously in tight corners, that even 'L' drivers being taught to park could think they've reached a very advanced driving stage.

Another very advanced feature not immediately evident to first time drivers of a Saab is the unique air filter in the ventilation system. It prevents all the usual dust and even pollen infiltrating the car interior.

Of course, it must be reassuring to know that the interior itself is one of the safest passenger compartments in the automotive world. It actually cocoons you in a solid steel safety cage.

Which must be almost as strong a case for buying a Turbo, than the one in favour of performance and acceleration.

SAAB TURBO

22 MPs rebel against Botha in race vote

From Gerald Shaw, Cape Town, Feb 24

The National Party split today when 22 MPs voted at a caucus meeting against a motion of confidence in Mr P.W. Botha, the Prime Minister, throwing white South African politics into turmoil.

If the split worsens it could result in a far-reaching political realignment. The vote came after several days of intense speculation about differences said to be developing in the party over constitutional policy. Dr Andries Treurnicht, Minister of State Administration, a right-wing intellectual and leader of the powerful Transvaal National Party, is opposed to any form of power-sharing between white, coloured (mixed race) and Indian South Africans in constitutional proposals expected to be unveiled later this session.

At today's caucus meeting Mr Botha gave the 22 dissidents until next Wednesday to reconsider. If the number of dissidents grows it will mean a powerful new political force on Mr Botha's right flank which might displace the official Progressive Federal Party opposition.

Mr Botha could conceivably be forced into a reformist coalition with the Progressive Federal Party, which is led by Dr Frederick van Zyl Slabbert.

Mr Botha would like to keep the split to a minimum, getting rid of some trouble-

some right wingers but maintaining his comfortable majority in Parliament. He is still firmly in control, having gained 100 votes in his favour with 22 against and 19 MPs said to have been absent.

What happens will depend on Dr Treurnicht. He is said to have avoided casting his vote today by walking out of the meeting. But it will be difficult for him to avoid taking a public stand. He met a group of the dissident MPs in his Parliamentary office this afternoon.

If Dr Treurnicht, a former chairman of the Broederbond and influential in Dutch Reformed Church circles, decides to lead the breakaway movement, it could mean very serious difficulties for Mr Botha. A key question would then be whether Dr Treurnicht could get a vote of confidence from the Transvaal congress of the National Party.

The provincial party machine is organized on a strictly federal basis. If Dr Treurnicht were able to take the Transvaal with him, he would be in a position to challenge Mr Botha for the national leadership.

Mr Botha's own leadership is based on a coalition with his own ultra-conservative banner.

When Dr Treurnicht met parliamentary correspondents tonight he said that he would not back down from his opposition to power-sharing in any circumstances. There could be no reconciliation in the party if Mr Botha did not give way. Power-sharing had never been Nationalist policy. On the contrary, it was the policy of the Progressive Federal Party and could never enjoy his support.

He has called a meeting of the Transvaal head committee of the National Party for this weekend. The committee includes all the Transvaal MPs and senior Cabinet ministers, including Mr R.F. Botha, Minister of Foreign Affairs, Mr Gerrit Viljoen, Minister of Education, Mr F.W. de Klerk, Minister of Mines, and Dr Pieter Koenig, Minister in charge of Black Affairs. These ministers are likely to mount a campaign to restore party unity.

□ Johannesburg: Miss Linda Bernhardt, well-known here for organizing shows for blacks, was arrested last night as she arrived from New York (AFP reports).

Police told her parents, who had waited in vain for her to emerge from customs at the Jan Smuts International Airport, that she had been held under article 22 of the General Laws Act, which allows a renewable 14 days' detention without trial. Miss Bernhardt specializes in bringing black entertainers before black audiences.



Poland: Party at odds

Jaruzelski defends reform

From Roger Boyes, Warsaw, Feb 24

General Wojciech Jaruzelski, the Polish leader, today opened the first full meeting of the policy-making Central Committee with a 68-page speech that bitterly criticized Western sanctions, defended martial law and asked for an end to factional struggles in the Communist Party.

The speech, received with prolonged applause, comes at a time of growing pressure from the hardliners in the party and even some soft-spoken criticism from liberal reformers.

He made it clear that he was sticking to his line of tightly controlled economic reform — "Socialism can be reformed", he said in a reference to the hardliners — coupled with the reconstruction of the role of the Communist Party. Paraphrasing the slogan of underground Solidarity activists ("The winter is yours, the spring is ours"), he said: "the spring will not be yours or ours, it will simply be Polish and socialist".

The international situation, General Jaruzelski said, was deteriorating with the United States trying to make Poland a hotbed of tension and thus undermining the stability of peace in Europe. The Polish economy was suffering from the disastrous effects of sanctions, he said, praising Soviet assistance.

Martial law, the "state of war" (as it is called in Polish) could thus rather be seen as a state of anti-war, he said, the only way to maintain stability and peace at a time of growing world tension.

The speech had three main themes. First, there was a continuing need for martial law though some restrictions would be phased out. This was to keep control of the economy and ensure social stability. Second, the economy would recover in two to three years if the country remained calm. The slowness would regain its value and Poland's international standing would be restored.



Marathon man: General Jaruzelski presenting his 68-page speech to the policy makers in Warsaw

PAPER AND INK SEIZED ON BORDER

Warsaw, Feb 24. — Polish customs have confiscated paper and printing ink sent in aid parcels from the West, the PAP news agency reported today.

Officials found 16,500 sheets of printing paper and 21 kg of printing ink concealed in parcels of food and clothing sent by two Swedish firms.

The Polish Catholic lay organization, Pax, has suspended its former chairman, Mr Ryszard Reif, from membership, the Pax news agency Słowo Powszechne reported. — Reuter.

Soviet Union accused of pummeling Helsinki act

From Our Correspondent, Madrid, Feb 24

In one of the sharpest exchanges yet at the European Security Conference, a United States delegate applied today to a Soviet accusation that the United States is leading a western attempt to sabotage the meeting by claiming that the USSR of "sheer hypocrisy".

Adding: "The Helsinki Final Act has been pummelled to near death by the Soviet Union".

Mr Max Kampelman, the chief United States delegate, said: "We are not a country who, he said, had either been sent to mental hospitals or sentenced to labour camps for denouncing the misuse of psychiatry."

He said: "Men and women, sane and exercising their rights as human beings under the Helsinki Final Act, have been, usually without trial, brutally condemned to the grotesque world of politically controlled psychiatric

Argentina to 'advise' Salvador

From Paul Elman, San Salvador, Feb 24

The spectre of an intervention in El Salvador by right-wing Latin American Governments fearful of a guerrilla victory here has been raised again by Salvadoran military officers.

General José Guillermo García, the powerful Salvadoran Defence Minister, flatly refused to rule out the possibility of "advisers" being sent to El Salvador by Argentina and other Latin American countries when he was questioned on this point yesterday. "At this moment we have no Argentines in El Salvador", General García said. Pressed on this point, he replied: "For the future I can't say. The future is the future."

His remarks came during the first visit to Argentina by El Salvador's Chief of Staff, Colonel Rafael Flores Lima.

Colonel Flores' visit to Argentina is at the invitation of military figures there who, according to official sources, have offered to provide "advisers" and military equipment to El Salvador.

According to General García, Salvadoran officers and cadets are presently being trained in two other Latin American countries with repressive regimes — Chile and Paraguay.

Right-wing military figures in Latin America have become increasingly alarmed at the trend of events in Central America since the victory of the Sandinista guerrillas in Nicaragua in 1979. They are also showing signs of growing unease at the mounting opposition in the United States Congress to President Reagan's policies towards El Salvador.

"We let Jimmy Carter hand Nicaragua to the communists. We're not going to let Reagan do the same with El Salvador", an Argentine official said recently. He was referring to former President Carter's decision to cut off military supplies to the dictatorship of the late President Anastasio Somoza.

The source said that Argentina had already held discussions with military leaders in Chile and Brazil about the apparent success of the guerrilla campaign.

□ The International Red Cross has been shaken by what is regarded as a flagrant breach of the neutrality code by Señor Enrique de la Mata, of Spain, president of the League of Red Cross Societies, during a visit to El Salvador (Alan McGregor writes).

At a news conference in San Salvador earlier this month, he said that President José Napoleón Duarte was a "genuine democrat", dedicated to his country's welfare and deserving of support. He also criticized Western media for painting what he regarded as an excessively dramatic and negative picture of events there.

Señor de la Mata had gone to El Salvador to offer the Red Cross's good offices in bringing the conflict there to an end.

The International Committee of the Red Cross immediately issued, through its San Salvador delegation, a statement emphasizing that the Red Cross could not take sides.

The Lebanese are familiar with "the plot", a conspiracy of mind-numbing proportions which allegedly includes the United States, Israel and Arab enemies. Mr Mukhadam blamed the Tripoli conflict on America, Israel and Iraq, all of whom had supposedly conspired to divert Syria's attention from the struggle going on in southern Lebanon.

It was true, Mr Mukhadam said, that the Alawites were a minority and the Sunni Muslims a majority but it was coincidental that President Assad was an Alawite. The Alawites, he maintained, were at the very heart of the Arab struggle against Israel. The Syrians were only in Lebanon to keep the peace.

If that he said was true, then there must be a very large number of misguided Sunni Muslims in Tripoli.

Mr Mukhadam was forced to break off his interview by the arrival of a visitor who had come to assist in the ceasefire talks: and across the carpet towards him, pistol at his hip, stepped the familiar figure of Mr Yasser Arafat.

The chairman of the Palestine Liberation Organisation did not look all that happy, he was, after all, rather long way from the borders of what once Palestine.

Time for coffee in Lebanese limbo

From Robert Fisk, Tripoli, Lebanon, Feb 24

Just 30 feet separates the Syrian paratroopers from the Muslim Lebanese militia men of Tripoli and today they faced each other with heavily armed nonchalance across a dusty highway which bears the appropriate name of Syria Street.

The Syrians dressed in the crimson and green camouflage dress of Colonel Rifat Assad's Special Forces, stood on the eastern side of the thoroughfare beneath the little hill where many of Tripoli's Alawite community have their homes.

The militia men lounged against their wood-and-sandbag emplacements on the other side of the road, beneath green flags which proclaimed that there was only one God and his prophet was Muhammad. In Tripoli these days, it is a point worth bearing in mind.

The city's fifth ceasefire, a truce of Byzantine complexity for which the militia men of the Popular Resistance Movement held out little hope, had just taken effect: an old man with a portable drinks stand had set up business beneath the bullet-scanned portrait of a local martyr, dispensing thick Arabic coffee from small, painted china cups. The gunmen wore miniature Korans as pendants round their necks, theological precaution which had failed to save the lives of 12 of their people.

As usual, the fighters wore fatigues, the intellectuals blue jeans. Hamze, balding but mustiched, supposed himself an intellectual although he did not disclose his second name for fear that the Syrians might arrest him once the ceasefire was consolidated.

Division between Muslims

Why were his men fighting the Syrians? And why had the fighting started in Tripoli just as the Syrian Army was trying to crush the uprising in the Syrian city Hama 100 miles away to the north east? His answers were cautious and somewhat unsatisfactory.

"The people of Hama and the people of Tripoli are one people," he said, "because they are part of the Arab world and the Muslim world, but there is no coordination between what is happening in the two cities." Yet he seemed to hold more than sympathy for the rebels of Hama.

In reality, however, it is the division between Muslims that seems to matter in Tripoli where the minority Alawite sect — to which the Syrian leadership belongs — accounts for only 10 per cent of the city's population. Hamze himself is an Alawite but there is a powerful majority Sunni Muslim influence among the Islamic militiamen which identifies the Alawite citizens with the Syrian Army, an animosity that sometimes betrays itself in ugly, sectarian form.

Syrian motives suspected

It would indeed be a mistake to believe that the conflict in Tripoli was not also a popular and probably spontaneous reaction to the presence of the Syrian Army, whose duties in Lebanon have come to be regarded by many thousands of Muslims as well as Christians, as occupation rather than peace-keeping.

At the offices of the local Arab Democratic Party, the pro-Syrian movement that is both supported and armed by the Syrians, a portrait of Colonel Rifat Assad — "Dr Assad", in the legend beneath — was prominently displayed. In a heavily-carpeted room beside a lacquered Chinese cupboard, Mr Rashid Mukhadam, the ADP's secretary general explained that the fighting in Tripoli was all part of "the plot".

The Lebanese are familiar with "the plot", a conspiracy of mind-numbing proportions which allegedly includes the United States, Israel and Arab enemies. Mr Mukhadam blamed the Tripoli conflict on America, Israel and Iraq, all of whom had supposedly conspired to divert Syria's attention from the struggle going on in southern Lebanon.

It was true, Mr Mukhadam said, that the Alawites were a minority and the Sunni Muslims a majority but it was coincidental that President Assad was an Alawite. The Alawites, he maintained, were at the very heart of the Arab struggle against Israel. The Syrians were only in Lebanon to keep the peace.

If that he said was true, then there must be a very large number of misguided Sunni Muslims in Tripoli.

Mr Mukhadam was forced to break off his interview by the arrival of a visitor who had come to assist in the ceasefire talks: and across the carpet towards him, pistol at his hip, stepped the familiar figure of Mr Yasser Arafat.

The chairman of the Palestine Liberation Organisation did not look all that happy, he was, after all, rather long way from the borders of what once Palestine.

NEWS IN SUMMARY

Giscard refuses to lie down



Paris — M Valéry Giscard d'Estaing, former French President, (above), who has been elected to the French Assembly, has refused to announce that he will be a candidate in the local elections on March 14, in the district of Chamalières, where the family seat is located (Charles Haragrove writes).

This means that at the still relatively young age of 56, he has decided to return to active politics, starting again on the same course as he did 24 years ago, when he was first elected a member of the local assembly of the Fuy de Dôme in 1958.

Breaking the news to a local paper he makes it clear that he is not resigned to playing the role of the occasional oracle on national affairs — to which some leaders of the Opposition would like to confine him. He wants to make a fresh start and acquire a new political legitimacy.

Squatter snag for Mugabe

Salisbury — The Zimbabwe Government is being urged by the lawyers of a white farmer to take action against about 400 squatters defying a High Court order to move from land owned by him (Stephen Taylor writes). The police have so far not moved.

Land hungry blacks, disappointed by the slow progress in redistributing farm land, are also closely watching what the response of the Salisbury authorities will be.

More quit on Polisario

Addis Ababa — Three more states, making a total of 11, walked out of the meeting here of the Organization of African Unity's Council of Ministers in protest at the presence of the Polisario Front's Sahrawi Arab Democratic Republic (SADR).

The departure of Djibouti, Niger and Tunisia was prompted by a formal welcome to the SADR delegation by Mr Archie Mogwe, the Foreign Minister of Botswana, who is the new council chairman.

Mastel takes chess lead

Jonathan Mastel is in the sole lead in the Western European zonal tournament at Marbella after beating Michael Stean in the third round (Harry Golombek writes). This was a brilliant and crushing game by Mastel in which he disposed of Stean's Sicilian defence by an attack on the enemy King involving the sacrifice of a Bishop.

John Nunn came up to second place with an easy win over van der Wiel, this being the Dutch master's first loss in the competition. Stean's second round win over Hübner 0-1 and a draw with Hübner 0-1.

White rift grows in Salisbury

From Michael Hornsby, Salisbury, Feb 24

A rift is developing within the Republican (formerly Rhodesian Front) Party of Mr Ian Smith, the former Prime Minister, between the white-ruled Rhodesia, who now sits on the Opposition benches in the black-dominated Parliament of Zimbabwe.

Mr Smith and his fellow MPs occupy the 20 seats in the 100-seat Assembly which are reserved for whites until 1987 under the terms of the Lancaster House constitution signed in London in December, 1979.

At a meeting of the party caucus next week, between Mr Smith and 12 dissident Republican Front MPs are expected to announce their intention to defect and sit as independents. Although they do not as yet form an identifiable group, they may eventually establish a loose alliance.

A leading member of the dissidents is Mr Chris Andersen, who represents Salisbury's Mount Pleasant constituency. He is a former Minister of Justice in the pre-independence Government of Bishop Muzorewa. "A number of us feel that the Republican Front, because of the unchanged attitudes of its leaders, is no longer able to reflect the full range of the views and interests of the white electorate".

Mr Andersen said "We believe we must adopt a more constructive approach if we are to make the best use of the years that remain before the reserved seats expire."

Last week, at an unusual meeting in Parliament with 70 white businessmen, at which he sought to reassure them about the future, Mr Robert Mugabe, the Prime Minister, dropped a public hint that he would find it easier to appoint whites to Cabinet posts if they were not members of the Republican Front.

At present, there is only one white member of the Cabinet, Mr Denis Norman, the Minister of Agriculture, who was previously president of the predominantly white Commercial Farmers' Union.

The suggestion that his party did not fully reflect white views was challenged today by Mr Smith. "All the whites I meet make it clear that we represent them."

Mr Smith admitted that he might not be able to prevent a breakaway group, but attributed the discontent in his party to the sort of backbiting that was to be expected when the whites were facing difficult times.

Carrington visit, page 10

US delays missile programme

From Nicholas Ashford, Washington, Feb 24

The Pentagon has announced a two-year delay in its programme to produce a new generation of the counter-weapon, Maverick air-to-ground missiles.

The decision, which comes after an investigation by The Washington Post into the missile's long record of expensive troubles, may provide useful ammunition to the growing number of Congressmen from both parties who want cuts in the \$215,000 (£113,000) 1983 defence budget.

There have already been protests at the administration's decision to increase defence spending by 18 per cent while cutting domestic programmes. Many Congressmen fear this increase will merely encourage the Pentagon to spend more money on weapons systems which are deficient.

The first generation of Maverick missiles, of which 20,000 are stockpiled in Europe and elsewhere, provide the Air Force with its primary anti-tank weapon. It is an air-to-ground guided missile and it has been ordered by six foreign countries and is being considered by another three.

Shortcomings have been seen in the first generation of Mavericks. It will not work in fog or heavy rain and there are often problems in finding and identifying targets. General John Vogel, who commanded air operations in Vietnam where the Maverick failed and later headed the Air Force in Europe, said in The Washington Post: "To have to rely on it as the main anti-tank weapon makes no sense."

The new generation of Mavericks is designed for greater accuracy with the inclusion of an advance in sensor design — it can detect and home on heat produced by tanks.

However, although \$173m has already been spent on developing the new missiles, the weapon has performed badly during testing. Of five live missile firings scheduled in the past four months, one aborted, two failed and two were postponed.

A decision to go ahead with the purchase of 61,000 missiles at a cost of \$5,000m was scheduled to be made this summer. However, the Pentagon has now announced that the decision is being put off until early 1984.

Mr Martin Chen, the Deputy Assistant Air Force Secretary said: "We are certainly not abandoning Maverick. We have a missile we feel very strongly about

due in part to the fact that prices in real terms have actually gone down. The idea behind the proposals is to work towards a mix of the two methods used for taxation. One, preferred in Britain, is to charge the same tax on every packet of cigarettes. The other, preferred in France, is to vary the tax according to the cost of the product.

The Commission report is itself a piece of history, since it is the first time such a document has been prepared for direct reference to the European Parliament.

Mr Tugendhat said, was precedent of some importance, and "an important step towards bringing Parliament into the Community's legislative process to as great a degree as possible."

If approved Parliament and council, the proposals would come into effect at the start of next year.

EEC defies tobacco lobby

From Ian Murray, Brussels, Feb 24

The attitudes of leading manufacturers, he went on, "seem to me not far removed from those which lead British Leyland to sell their cars on the British Market at prices far above those they charge abroad. This is not, in my view, what the Common Market is about."

The report estimates that only about 2 per cent of prices would be affected by its proposals at this stage, although looks forward to tax increases being used as a way of controlling the smoking habit.

At the moment, taxes on cigarettes amount to 70 per cent of the retail price and 350 per cent of the production costs, but there is little evidence that these levels act as a deterrent. Tables published with the report show that smoking in Britain has risen by almost 50 per cent in the past decade. This is presumably

due in part to the fact that prices in real terms have actually gone down. The idea behind the proposals is to work towards a mix of the two methods used for taxation. One, preferred in Britain, is to charge the same tax on every packet of cigarettes. The other, preferred in France, is to vary the tax according to the cost of the product.

The Commission report is itself a piece of history, since it is the first time such a document has been prepared for direct reference to the European Parliament.

Mr Tugendhat said, was precedent of some importance, and "an important step towards bringing Parliament into the Community's legislative process to as great a degree as possible."

If approved Parliament and council, the proposals would come into effect at the start of next year.

Defence spins out Spanish trial

From Richard Wigg, Madrid, Feb 24

The delaying tactics of the defence were intensified when the court martial confirmed here today of 32 Spanish officers accused of involvement in last year's failed plot to overthrow democracy in Spain.

The Government want to finish the trial as quickly as possible, but the defence obviously feel it is in their interests to delay matters as much as possible.

Yesterday the accused refused to appear in court at all until its president, Lieutenant-General Luis

Alvarez, head of the Supreme Council of Military Justice, expelled Señor Pedro Ramirez, editor of *Diario 16* from the court and suspended the newspaper's accreditation. The newspaper had published an article on last year's events.

Today, defence lawyers demanded an adjournment until next Monday. "This is out of proportion and not possible," General Alvarez said, granting an adjournment of half an hour.

When the court resumed, Colonel Salvador Escandell, counsel for Lieutenant-General

Alvarez, head of the Supreme Council of Military Justice, expelled Señor Pedro Ramirez, editor of *Diario 16* from the court and suspended the newspaper's accreditation. The newspaper had published an article on last year's events.

Today, defence lawyers demanded an adjournment until next Monday. "This is out of proportion and not possible," General Alvarez said, granting an adjournment of half an hour.

When the court resumed, Colonel Salvador Escandell, counsel for Lieutenant-General

Alvarez, head of the Supreme Council of Military Justice, expelled Señor Pedro Ramirez, editor of *Diario 16* from the court and suspended the newspaper's accreditation. The newspaper had published an article on last year's events.

Today, defence lawyers demanded an adjournment until next Monday. "This is out of proportion and not possible," General Alvarez said, granting an adjournment of half an hour.

When the court resumed, Colonel Salvador Escandell, counsel for Lieutenant-General

Alvarez, head of the Supreme Council of Military Justice, expelled Señor Pedro Ramirez, editor of *Diario 16* from the court and suspended the newspaper's accreditation. The newspaper had published an article on last year's events.

Today, defence lawyers demanded an adjournment until next Monday. "This is out of proportion and not possible," General Alvarez said, granting an adjournment of half an hour.

When the court resumed, Colonel Salvador Escandell, counsel for Lieutenant-General

NEWS IN SUMMARY

Hanoi stays silent on missing GIs

Bangkok — A high-level United States delegation left Hanoi with no new information about 2,500 American servicemen still missing from the Vietnam war and an awareness of how hostile the Vietnamese feel towards the United States on the issue. (Neil Kelly writes)

Mr Richard Armitage, Deputy Assistant Secretary of Defence who led the mission, claimed on his return to Bangkok that he had found "a new spirit of cooperation" but the Vietnamese could not have been more brutally frank in the discussions, according to well-informed officials.

The Vietnamese threatened no more cooperation at all unless the Americans stopped using the issue as a political weapon against them. Some of the missing men, buried hurriedly in unmarked graves, took a long time to find and yet the Vietnamese were being accused of "holding back".

Female watch on Gaddafi

Tunis — Accompanied by 10 female uniformed bodyguards, some of them teen-agers, Colonel Gaddafi of Libya began talks in Calthage with President Bourguiba, their first encounter since the aborted merger of the two countries in 1974.

His guards carried pistols and were in battle dress. Colonel Gaddafi had spent the night in President Bourguiba's home town of Monastir.

Strike at 'New York Times'

New York — Peace talks were continuing at The New York Times to try to prevent a recurrence of a drivers' strike that had prevented distribution of most copies of the newspaper in the New York area. (Christopher Thomas writes)

Only about 80,000 copies of the normal 875,000 run were printed on Tuesday night.

Fighting talk in Peking

Peking — Vice-Chairman Deng Xiaoping who met Mr Khieu Samphan, leader of the Marxist Khmer Rouge, here for talks on the fight against the Vietnamese-backed regime in Phnom Penh.

Mr Deng who last week met Prince Norodom Sihanouk, the former Cambodian head of state, has asked anti-Vietnamese resistance groups to forget their differences and set up a coalition Government.

Recompense for peace fighter

Oslo — Alva Myrdal, who is 80 and the former Swedish Minister of Disarmament, was awarded an honorary "Norwegian People's Peace Prize" here. She said the 375,000 kroner (£35,000) prize money would go to a fund for disarmament and peace.

Nineteen Norwegian political and pacifist organizations launched a nationwide collection of money for Mrs Myrdal after the Norwegian Nobel Committee failed to award the Peace Prize to her.

Fit Kissinger

Boston — Dr Henry Kissinger, the former Secretary of State, who underwent open-heart surgery two weeks ago, was discharged from hospital and said he felt "in fine shape and in great spirits". He added: "I'm told I'll be more vital than ever".

Test tube girl

Paris — France's first test tube baby, a girl weighing 7½lb, was born in Clamart, near Paris, delivered by Professor René Frydman in a normal birth. Britain, Australia and the United States are the only other countries with test tube babies.

Steamroller death

Invercargill — Andrew Tom Remick, aged 20, an Englishman who came to New Zealand three weeks ago, died on his first day at work when a steamroller he was driving slid off a road, overturned down a bank and crushed him, police reported. His parents live in St Columb, Cornwall.

Aid for Aborigines

Perth — Emergency food supplies are being air-dropped to 450 aborigines cut off by monsoon rains in the isolated far north of Western Australia.

Narrow win in referendum



Joy in Godthab: Anti-Marketters celebrate their victory with torches in Greenland's capital.

Greenland decides to quit EEC

From Christopher Follett, Copenhagen, Feb 24

The streets of Godthab, the tiny capital of Greenland, resounded to the sound of fireworks and cheering early this morning as anti-marketters celebrated their narrow victory in yesterday's referendum on continued membership in the European Economic Community.

The poll, in which a record 75 per cent of Greenland's 32,000 electorate participated, resulted in a 52 per cent vote for leaving the EEC to a 46 per cent pro-market vote.

Although the referendum was consultative, the result will almost certainly lead to the icebound north Atlantic territory, which gained home rule under the Danish crown in 1979, leaving the Common Market by 1985 at the latest. Despite a 70 per cent anti-EEC vote in a previous referendum, Greenland, then only a province of Denmark, reluctantly joined the Market along with the mother country in 1973.

Mr Jonathan Motzfeldt, chairman of the local Greenland parliament in Godthab and leader of the ruling left wing anti-EEC Siumut Party, flew today to Copenhagen for talks on Greenland's future with the Danish government. With its 13 of the 21 seats in the Greenland Assembly, Siumut will have no difficulty gaining local parliamentary assent, at a special session next month, for legislation empowering Denmark to start negotiations with Brussels.

Mr Anker Joergensen, the Danish Prime Minister, said today that Denmark would respect any decision by Greenland to leave the EEC, but gave a warning that it would not compensate the territory for lost EEC subsidies.

"The Danish government would have preferred Greenland to stay inside the Community," Mr Joergensen told Ritzau, the Danish news agency. "But we are prepared to help the island in negotiations for a withdrawal from the EEC if that is the final decision the Greenland parliament reaches."

In a radio interview, Mr Poul Dalsager, Denmark's Agricultural Commissioner, said that he regretted the referendum result. He also said that expected efforts by the territory to acquire associate status with the Common Market, such as some French, British and Dutch overseas territories enjoy, might receive a cool reception in Brussels.

"The island's economic importance within the EEC is so minimal that its withdrawal will have no effect on the Common Market," Mr Dalsager said.

Anti-EEC sentiment in Greenland is rooted more in nationalist feeling than in economic issues, although the EEC fisheries policy was bitterly resented as outside interference in the island's most vital industry. The result of the poll reflects the sense of estrangement from distant Europe of a largely Eskimo people, its desire for closer ties with north American Inuit (Eskimo) communities and not least its growing sense of national awareness and identity just three years after devolution.

In the past 30 years, Greenland a Danish colony for about 200 years until 1953, has developed from a primitive trapping and fishing society to a modern state with lead, zinc, and cryolite mining rivaling fishing as a source of export revenue. Greenland's rapid increase in living standards has brought with it serious problems, such as high rates of venereal disease and alcoholism.

Economically Greenland will lose from leaving the Common Market. Combined EEC regional, social and agricultural aid to the island is currently running at about 185m kroner (£12.5m), and the European Investment Bank has granted Greenland 385m kroner in loans since 1973.

Siumut and Opposition politicians agree that the referendum decision will not affect Greenland's defence commitments (there is an important United States air base at Thule in the north of the island), or its home rule status under Denmark, which provides it with 1,800m kroner in aid per year.

□ Brussels: The European Commission noted "with regret" today that Greenland had voted to leave (Ian Murray writes). At the same time there was no clear idea of the new relationships with the EEC. Greenland would try to obtain at the same time as withdrawal.

The main case for leaving the Community is to be able to charge the Community for fishing rights, at the same time retaining as many as possible of the financial and trading benefits that EEC membership has endowed.

The negotiations for withdrawal will therefore be a very hard trade off. Greenland will be seeking to sell its fishing rights as dearly as possible, while trying to keep open the market for its own produce and qualifying for development aid.

At the moment Greenland is by far the largest beneficiary of EEC help. With about 1740 being spent annually on each inhabitant, a figure three times larger than that spent in southern Italy.

Denmark expects to find itself in the extraordinary position of negotiating on both sides of the table on withdrawal. It will be put into an even more difficult position if, as is likely, the negotiations go on at the end of this year, when Denmark will be President of the Council of Ministers, thus occupying three of the key seats, round the negotiating table. It could well be that the long negotiations will mean that Greenland will remain a member of the Community until January, 1984.

The European Commission is not to make any further statement on the issue until after consultations with the Danish and Greenland authorities. It is unlikely, however, that fishing rights for this year or next will in any way be affected.

Greenland's position within Denmark is somewhat analogous to that of the Isle of Man in the United Kingdom.

Obote men hunt guerrillas after raid

From Charles Harrison, Nairobi, Feb 24

Uganda security forces today continued to sweep the Kampala area in search of an estimated 300 anti-government guerrillas who attacked the Malindi barracks in Kampala yesterday.

Part of the search was concentrated near the Roman Catholic Cathedral on Rubaga Hill, where some of the guerrillas used in yesterday's attack were positioned. Defence Ministry officials say they found a cache of 60mm mortar shells next to the statue of Christ the King in front of the cathedral.

Last-ditch effort to alter sea law text

By David Cross

British Industry has launched a last minute attempt to persuade the Government to join America in seeking modifications to a draft text of the United Nations Law of the Sea conference.

At a London press conference yesterday, Professor Donald Denman, former head of the department of land economy at Cambridge University, said that the draft document tilted unfairly in favour of the developing countries and the Soviet Union and its allies at the expense of the industrialized nations. Moreover, it would set up a giant United Nations quango which would have an absolute monopoly over at least one half of the deep seabed resources of the world.

Professor Denman, who recently had talks in the United States with American officials involved in the Law of the Sea conference, has written a paper for the British organization, Aims of Industry, entitled "The Law of the Sea Conference — need to Think Again Before We Sign". The next and probably final round of the talks are due to open in New York on March 8.

The Americans have been having second thoughts about approving the draft convention, mainly because of its alleged discrimination against industrialized Western nations on access to mineral resources on the deep seabed although it is reasonably happy with other aspects of the draft convention dealing with navigation right on the high seas.

Williams argues with judge

From Neil Sutherland, Atlanta, Feb 24

Wayne Williams ended testimony in his own defence in a series of angry arguments with the prosecution and judge.

The attitude of the 23-year-old black — facing charges on two of 28 killings of young blacks — was in complete contrast to his coolness in the witness box yesterday. He was rebuked by Judge Clarence Cooper for arguing and snapping back: "I'm trying to answer the question."

Astray in the wilds of America

From Nicholas First, Washington, Feb 24

Mr James Watt, the controversial Secretary of the Interior, has been plunged into a new controversy, in which the environmentalists are up in arms. There is likely to be a fierce battle in Congress.

At the weekend Mr Watt, in style, dress and bookish square-rimmed glasses gave him more the appearance of an evangelist preacher than a politician, appeared to reverse his earlier policy of pushing for oil and gas mineral exploration in wilderness areas.

Paris and Bonn in tune again

From Charles Hargrove, Paris, Feb 24

The thirty-ninth Franco-German Summit meeting, which opened in Paris today, marks the revival of the "privileged relations" between the two countries.

These went through a period of uncertainty after the Socialist victory in France last summer, and the end of the personal friendship between heads of state. Substantial differences of approach to the Polish crisis and the revival of East-West tension added to the difficulties.

Wellington warned off trade deal

From W. P. Reeves, Wellington, Feb 24

Mr Gaston Thorn, President of the European Commission, today advised against a trade treaty between New Zealand and the EEC arguing that it was not in New Zealand's interest at present. The New Zealand Government had discussed the idea with him in talks over the past two days.

Mr Thorn said it would be counterproductive to raise the question now when the Community was reviewing its common agricultural policy and its budget and discussing New Zealand's butter quotas for next year.

Washing machine war breaks out in China

From David Bonavia, Peking, Feb 24

The People's Daily today painted a picture of mounting chaos in the Chinese economy, as provinces and districts, cities and communes vie with each other to produce more and more consumer goods.

In a front-page editorial, it demanded a return to stricter economic planning, saying that China must be managed like a chessboard to prevent waste of resources. The paper said that some regions had set up protective barriers against each other's products, and said that this must cease.



Facing the music: A jester's head on a carnival float greets the large crowd in New Orleans celebrating Mardi Gras. Hundreds of thousands enjoyed the jazz and live in temperatures reaching the high seventies.

"Any product made in the Chinese People's Republic can be sold in any other part of the country, and no district, department or leader may prevent it. Proper competition must be permitted and backwardness may not be protected", it said.

The craze for consumer goods production is a result of the policy of industrial readjustment to reduce steel and other heavy industrial products in favour of more consumer goods, a policy promoted by Vice-Chairman Deng Xiaoping, whose political role is now controversial.

Mr Deng, who is 77, and several other elderly leaders are expected to retire from active guidance of the Communist Party and Government at the party's twelfth congress in the second half of this year.

"There is one Province" the newspaper said, "which has set up more than 40 domestic washing machine factories, creating pressure of stocks, wasting raw materials and consuming too much energy. Meanwhile, the famous brand-name products which the people like cannot be supplied in sufficient quantities. Radios, television sets, watches, bicycles and electric fans are all affected."

It calls for a policy of closure, termination, merger and conversion of unnecessary light industries, a policy which only last year was being applied to heavy industries. It further attacks excessive production of non-grain crops by the peasants, especially tobacco and rapeseed. Mr Deng's name is also closely linked with the policy of letting the peasants grow whatever crops are most profitable.

□ Hongkong: China has begun to exploit its workers, as contract labourers, to non-communist and anti-communist countries in a programme of industrial readjustment to reduce steel and other heavy industrial products in favour of more consumer goods, a policy promoted by Vice-Chairman Deng Xiaoping, whose political role is now controversial.

This year almost 20,000 Chinese workers are already overseas acquiring foreign currency and training that will assist in China's modernization drive under the economic policies of Mr Deng. The labour trade will, at present wage levels, be earning more than \$10,300m (£5,500m) for China's treasury when it reaches its expected height in the late 1980s.

Developer may put Manhattan back on top

From Christopher Thomas, New York, Feb 24

Many New Yorkers have long been incensed at losing the tallest building in the world; but they are now nurturing faint hopes that the city will finally top the list of the Sears Tower in Chicago.

Architects hired by Mr Harold Helmsley, a real estate baron with assets reputed to be worth \$5,000m, have completed initial plans of a 120-story monster that would put at least 100ft on the Sears building.

Exactly where such a building could go is fascinating in itself. One of the last big undeveloped plots in Central Manhattan is owned by the Post Office on Lexington Avenue; but the owners were not prepared to comment today on its possible use.

Not everybody, however, wants the Manhattan skyline to be added to. Conservationists have become a powerful force in the city and they have already thwarted one plan to redevelop the Grand Central area of the city with a massive tower block.

Even if Mr Helmsley is serious about his proposal, the conservationists may well be powerful enough to stop him. Nevertheless, most New Yorkers are intrigued in the prospect however remote, of regaining the tallest building in the world.

JAL suspends suspect crew

Tokyo — After medical examination of all its 2,243 flight deck crew, Japan Air Lines has grounded 10 of them for further check-ups. Mr Chikanori Noda, vice-president of flight operations, disclosed. On February 9 a JAL DC8 whose pilot was later found to be suffering from psychological illness crashed killing 24 people.

Third World chases ideas

Delhi, Feb 24 — The three-day meeting of 44 developing countries ended here today with a resolve to cooperate to find money and technology for joint ventures and commercial projects (Kuldip Nayyar writes).

Developer may put Manhattan back on top

From Christopher Thomas, New York, Feb 24

Many New Yorkers have long been incensed at losing the tallest building in the world; but they are now nurturing faint hopes that the city will finally top the list of the Sears Tower in Chicago.

Architects hired by Mr Harold Helmsley, a real estate baron with assets reputed to be worth \$5,000m, have completed initial plans of a 120-story monster that would put at least 100ft on the Sears building.

"The plan has been around for a month or more", the architects said. "We have not heard any more so we cannot say if it stands any chance of getting off the ground. Maybe Mr Helmsley is still looking for a site."

Developer may put Manhattan back on top

From Christopher Thomas, New York, Feb 24

Many New Yorkers have long been incensed at losing the tallest building in the world; but they are now nurturing faint hopes that the city will finally top the list of the Sears Tower in Chicago.

Architects hired by Mr Harold Helmsley, a real estate baron with assets reputed to be worth \$5,000m, have completed initial plans of a 120-story monster that would put at least 100ft on the Sears building.

"The plan has been around for a month or more", the architects said. "We have not heard any more so we cannot say if it stands any chance of getting off the ground. Maybe Mr Helmsley is still looking for a site."

As the Foreign Secretary flies into Salisbury today, Michael Hornsby examines Mugabe's many problems

Can Carrington be happy with his African creation?

SALISBURY

Just over two years after putting his signature to the Lancaster House agreement which brought Zimbabwe to internationally recognized independence, Lord Carrington, the Foreign Secretary, arrives here today to survey the results of his constitutional handiwork. His timing, though accidental, is impeccable.

For Lord Carrington's two-day visit — arranged some months ago — falls in the midst of the most serious political crisis of the young republic's life, triggered by the dismissal last week of Mr Joshua Nkomo, the veteran nationalist leader, after the unearthing of weapons caches on farms owned by his Patriotic Front (formerly Zapu) party. It would be difficult to have devised a better test of the country's political stability.

Most at risk is the still fragile integration into a new national army of the 50,000 former guerrillas led by Mr Mugabe and Mr Nkomo, the 15,000 regulars of the old Rhodesian army, with which they fought a bitter seven-year civil war. Britain has been, and remains, closely involved in this exercise through the 160-member British Military Advisory and Training Team. So far

the army appears to have emerged unscathed from the political ructions, but the situation is still tense and potentially explosive.

At independence in April 1980 the guerrillas consisted roughly of 30,000 Zulu-speaking Zulus, Mr Mugabe and drawn mainly from the Shona-speaking 80 per cent of the population who live in the north-east of the country, and 20,000 Zulu members under Mr Nkomo. These were mostly Ndebele speakers from the south-west, who account for 18 per cent of the country's inhabitants. The army is thus a microcosm of the nation, though the Ndebele are somewhat better represented.

The process of integration, which was formally completed towards the end of last year, survived two bouts of factional fighting between Zulu and Zulu, the most serious occurring in Bulawayo in which more than 300 soldiers and civilians may have been killed. The conflict was eventually quelled only by the intervention of the white-piloted air force. The fear that the dismissal of Mr Nkomo and other Zulu leaders might spark new strife was very real.

The government moved swiftly, however. Army commanders of both Zulu and Zulu origin were summoned to Salisbury and lectured by Mr Mugabe on



Lord Carrington: a cool look at the constitution.



Joshua Nkomo and Robert Mugabe: a fractured alliance.

the army's non-political role. They appear to have passed the message on to their men. The calm may be deceptive, and it is by no means certain that it would survive if Mr Nkomo were to be arrested, but it is none the less impressive. Other than extra guards at some key installations there is little evidence anywhere of special security measures.

Mr Mugabe's aim seems to be to use the issue of the arms caches to discredit Mr Nkomo and a few other top Zulu leaders rather than to launch a purge of Zulu elements in the armed forces. Assuming that the army comes through the present crisis, the main task ahead will be cutting it back to a more manageable size. At 60,000 men it is twice as big as it needs to be and demobilization incentives, including two years of full pay plus allowances and promises of jobs and higher education, have not so far made much impact.

The government has pressed ahead with social reforms such as free primary schooling and free medical care for the lower

paid, which have undoubtedly brought benefits to the broad mass of the people. But Lord Carrington is likely to hear complaints from white businessmen about the economic implications. Minimum wages have been raised by stages, going up on January 1 of this year by a further 23.5 per cent for commercial and industrial workers and 66 per cent for farm workers — though at \$2105 (£80) a month, the industrial minimum is scarcely princely.

Against a background of transport congestion, a severe foreign exchange shortage and loss of white skills, the wage rises and other social welfare measures have given a huge boost to consumer demand, fuelling a sharp rise in inflation to about 15 per cent. As a result, white employers have laid off workers in agriculture and domestic service, though in industry, where most employers already paid above the minimum, jobs have increased to meet the demand for consumer goods.

There is also uncertainty about future policy on

public ownership, where the government has so far moved cautiously despite much populist rhetoric. The strict compensation clauses of the Lancaster House constitution give a large measure of protection until 1990 to white minority or foreign ownership of all the country's main economic resources, agricultural, mineral and industrial. Not surprisingly, some of the Marxist radicals in Mr Mugabe's party are chafing at what they see as the maintenance of an essentially exploitative, neo-colonial economic structure.

Mr Mugabe's most difficult task in the long run will be to satisfy the growing impatience of the land-hungry peasantry — for if the struggle against white rule was not about land, it was not about anything.

There are estimated to be 800,000 families (more than 60 per cent of the total black population) crowded on the 40 million or so acres of so-called communal lands (the former tribal trust lands). It is reckoned that this area has the capacity to provide a liveli-

Between you and me, secrecy is here to stay

by Bernard Donoghue

The debate on official secrecy and the campaign to open up British Government is a classic minority issue. Only a few liberal intellectuals (not intended, despite the current climate, as a smear description) care passionately about it. An even smaller group of Whitehall mandarins feel equally passionately that the open government is bound to be a failure. They often give the impression that even publishing today's date is a risky venture that might have to be reviewed (presumably by an official committee whose existence and designation could not be revealed).

Actually each side exaggerates the importance of the question. Mandarins talk as if the revelation of the contents of these oceans of classified documents sloshing around Whitehall departments would somehow destroy the security of the realm. Liberal campaigners, on the other hand, see the issue as one of principle. The *Politics of Secrecy* is published today. It swallows this view and hunger to expose this arsenal of secrets to the public. In fact they would be disappointed. During five years in Downing Street, I read at least 90 per cent of the papers seen by two Prime Ministers, as well as thousands of other documents which did not go to high levels of them. I have been in neither a Whitehall nor a Downing Street. I have been in the Whitehall. Policy specialists and bureaucrats would delight in the measured arguments and bland phrasings, but exposure would be a disaster. A few of the most important documents would be lost. The media might even lose its appetite for them.

One problem is that the civil service madly over-classifies documents. It is safer that way: nobody is punished if something very mundane is over-classified as highly secret, but if it is under-classified and leaks out then there could be trouble. Consequently the designation "confidential" is applied to many documents containing very ordinary information: routine policy discussions by ministers are often classified as "secret", while — in the delicious description of one now senior Treasury official — "top secret" is reserved for anything too sensitive to show to ministers. Yet behind these funny bureaucratic games lies the heavy blunderbuss of the Official Secrets Act, rarely used but by its mere existence intimidating those who might contemplate communicating about government to the governed. It, together with the necessary courtesy of confidentiality between working colleagues, certainly silenced me.

One benefit of the continuing campaign for open government is that it has helped us to distinguish the genuine from the false reasons for official secrecy. Certainly there are some areas of government where sensible reformers now recognize that the national interest requires confidentiality. These include: sensitive aspects of defence technology and equipment; intelligence questions generally concerning Britain's security; areas of police activity; economic and financial proposals which might, if prematurely revealed, disrupt markets or allow privileged individuals to make financial gains. There is also the advice recently given to ministers

by identifiable civil servants, and personal files on individual members of the public.

However, the reason for secrecy most often operating had nothing to do with security or legitimate confidentiality: the wish to preserve the convenience, or embarrassment, of civil servants and ministers. The obsession with Cabinet leaks, which strikes even the best Prime Ministers (usually when their Administrations are running into political difficulties) usually reflects this fear of embarrassment. Which party is in power, leaks continue, added more by the omnipresent photocopier machine than by the pressure for open government. Nobody seriously pretends that the national interest has been noticeably damaged, although temper and older traditions of courtesy may have been.

Endless "leak inquiries" are instituted by the Cabinet. During one particularly paranoid period, when I was in government, we were launching leak inquiries nearly every week. All were fruitless — perhaps because they usually started from the offices of a few of the senior advisers who were guilty and did not actually wish to identify regular civil servants or senior ministers.

In the case of the Crossman Diaries the Cabinet Secretary actually spent a great deal of time and money taking the publisher and the *Sunday Times* to the High Court on the grounds of the devastating threat they constituted to good government. He lost and they were published. A few of Crossman's former colleagues were justifiably irritated. Students of government were both enlightened and misled. Tony Benn was presumably encouraged to sit henceforward in Cabinet, openly taking notes for his own diaries.

The convincing case for more openness in British Government is based on three main arguments: that in a democracy the citizens should know the maximum about their government; that the government needs the genuine support of the nation; and that an accountable government is in the long run likely to be more efficient (though sometimes more cautious, which is not incompatible).

But, however convincing the arguments for progress to more open government, I doubt that much will happen. Only deeply committed politicians could alter the culture of secrecy which permeates our bureaucracy. Most British politicians are in fact deeply ambivalent. In Opposition some of them are convinced that a more liberal and more open government is in the long run likely to be more efficient (though sometimes more cautious, which is not incompatible).

But, however convincing the arguments for progress to more open government, I doubt that much will happen. Only deeply committed politicians could alter the culture of secrecy which permeates our bureaucracy. Most British politicians are in fact deeply ambivalent. In Opposition some of them are convinced that a more liberal and more open government is in the long run likely to be more efficient (though sometimes more cautious, which is not incompatible).

Proceedings in Parliament

have never been as neat, tidy and clear as constitutional theorists would like. For one thing, they have an aspect which the late Mr Emrys Hughes, who sat as Labour Member for South Ayrshire, called mumbo-jumbo. As he meant (as he explained in a book on the subject) antique ceremonial which wasted Members' time, and procedures which were completely incomprehensible to the outside public, and which sometimes even suggested that the Commons was doing the opposite of what it was actually doing.

Some of this mumbo-jumbo has been swept away, including, for instance, the interruption of proceedings by the summons of Black Rod, which could interrupt a minister's speech in mid-sentence so that Members could troop off to the Lords to hear a Royal Commission signify the Queen's assent to a dreadfully long list of Bills.

Procedure, however, is always evolving beneath apparently constant forms to meet new conditions, and as it does a new kind of mumbo-jumbo develops. Question Time, and more specifically questions to the Prime Minister, are cases in point. The form now taken by Prime Minister's questions is partly the consequence of an honest attempt by MPs to pose questions of an honesty that would surely shock Mr Emrys Hughes as much as the Royal Commissioners

Ronald Butt

Ask a silly question...

with their red robes and cocked hats once did. Questions to the Prime Minister must now seem to a visitor in the public gallery at least as incomprehensible as the ceremonial of past ages. What has happened, in effect, is that almost all questions to her are now reduced to a single formula, asking her "if she will list her official engagements for (say) Tuesday, 23rd February."

On this Tuesday's Order Paper, this was the form of 52 of the 63 questions tabled for Mrs Thatcher. The object is to table an open-ended question which enables the questioner (once Mrs Thatcher has briefly said what her engagements are) to ask some such "surprise" supplementary question as whether she will take time during the day to consider reversing her economic policy which is causing massive unemployment.

Each of these questions (not that many can be got through in the allotted quarter of an hour) is called separately; each is followed by a wide range of disconnected supplementaries until the next question is reached. The Prime Minister then refers to her previous answer and the same ritual begins again.

As they always have, these occasions give the opportunity for a sparring match between the Prime Minister and the Leader of the Opposition and for point-

cue for a supplementary

on pay policy that was transferable. A later variation was to ask the Prime Minister could find time to visit the Member's constituency — a negative answer bringing a request to bear in mind that the constituents of East Blanksire were worried about this or that. Such earlier forms of the open-ended question have now almost but not quite been squeezed from the Order Paper.

We now have a more extreme form devised to avoid a transfer — even

be devised. (What about

"Will the Prime Minister state if she is satisfied with the Government's performance?" An open-ended question should certainly be followed by not more than one supplementary from each side and, if he gets up, from the Opposition leader.

Parliamentary questions have sometimes been praised as a device the civil servants most fear, and sometimes dismissed as occasions which can be manipulated by the bureaucrats to their own advantage. Prime Minister's questions have been criticized as providing a too easy platform for the Prime Minister.

Yet a huge amount of information is prised out of departments by questions that could be obtained in no other way, while the Prime Minister's questions perform the invaluable function of forcing the most powerful person in the Executive to meet weekly challenges in Parliament (including from the alternative Prime Minister) instead of being confined to a world in which the only face-to-face challenge is from colleagues with shared objectives.

I remember hearing Mr Harold Macmillan, after a particularly irritating trip to Paris as that of a royal court, would, he said, be very different if de Gaulle had to go down to the Commons twice a week for questions.

Quite so. In our system, where the Prime Minister is not a presidential figure, question time is vital. It is therefore obvious that it should not be made to look silly — which is the way it often looks just now.

- Questions to the Prime Minister will start at 2.15 p.m.
- Q1 Mr David Allen (Liverpool, Edgely Wood): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q2 Mr Barry Sheerman (Huddersfield, St. Paul): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q3 Mr Neil Thomas (Barnsley, Barnsley): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q4 Mr Doug Hoyle (Warrington): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q5 Mr Alan Thomas (Barnsley, Barnsley): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q6 Mr Robert Pugh (Liverpool, Scotland Road): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q7 Mr Maurice West (Barnsley, Barnsley): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q8 Mr Kevin Wainwright (Donner Valley): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.
 - Q9 Mr David Williams (Walsall, Walsall): To ask the Prime Minister, if she will list her official engagements for Tuesday 23rd February.

Nine of the 52 identical questions to Mrs Thatcher on this week's Order Paper.

to her. That was also the position of Mr Callaghan — but before he adopted it, the open-ended question had already developed.

At first, it took the form of asking the Prime Minister when she would next meet (say) the TUC which was a

though that danger is no longer there — adapted largely to political point-scoring. The Opposition manoeuvres are counter-balanced by the activities of a group of Tories suspected of being "orchestrated" from No 10 to come up with

A strange silence from the Mersey scourge

Lady (Margaret) Simey, the chairman of Merseyside's authority, who yesterday told MPs that she had personal experience of police taking vengeance on people who lodge complaints, is not always as discreet as she was in withholding the name of the force involved.

After the Toxteth riots she was in some trouble for saying that young people in the area would be apathetic fools if they did not riot. She explained that she spoke from a sense of total exasperation that local representatives, such as she, were left powerless by the system forced on them.

It attracted a verbal slap from Margaret Thatcher, but Simey, long regarded as Merseyside's angry voice and scourge of local police, was unrepentant. She said: "He's like all these new chief constables. He does not know how to behave."

Lady Simey, an unreconstructed Beveridge Socialist, is the widow of Lord Simey of Toxteth, a life peer and professor of social sciences at Liverpool University. She was born in Glasgow, 76

Weighty matters

The Queen is going pyx-ing, which is the sort of thing it could be useful for Scrabble players to know. Today, the Queen will make her first visit to the trial of the pyx.

The trial — of coinage of the realm, which is not found wanting as often as you might think — takes place before the Queen's Remembrancer at Goldsmiths' Hall. A jury (nowadays rigged in advance with chosen representatives of the Royal Mint) is instructed to test the coins are the correct weight. A verdict will not be returned until May.

The pyx is the box in which the specimen coins are placed, and the verb, which the Shorter Oxford recognizes, means to assay.

Louis Marks, the freelance television producer who claims that a television series on the Jews by Desmond Wilcox originated from one of his own ideas, now says that the BBC is to delay filming the series to allow him time to develop the idea himself elsewhere.

Bill Cotton, deputy managing director of BBC television, has been investigating the origins of the series on the Jews, Marks claims that he first presented the

Magisterial wit

David Hopkin, whose appointment as metropolitan chief stipendiary magistrate was confirmed this week, will be a marked change from the austere, but always kind, Evelyn Russell, whom he succeeds on April 5. Hopkin is a quick wit — he described the duty solicitors' scheme as "legalized touting" — and does not suffer fools gladly. Of one solicitor he said: "I never see him appearing before me without telling myself I must count to ten, and I never get past four."

Go for baroque

It infuriates some that, because of television advertising, they can no longer hear Mozart's K. 466 without thinking of almond slices, or Pachelbel's Canon without seeing an International Wool Secretariat sheep walking down carpeted corridors.

Yet Christopher Hogwood, who will perform Mozart at the Queen Elizabeth Hall on Sunday and whose record of the Pachelbel is currently high in *The Times* list of classical bestsellers, would like to see more seventeenth and eighteenth century snippets used in this way, provided only that they are played straight, not tacked up with added rhythm tracks or similar vulgarities.

Most modern jingles, he says, are a waste of time for musicians and composers, while there are "really stunning melodies" going begging in the baroque canon. First candidate: *Sommeil* from a

Who's the mole?

There is to be an important new character in the life of *The Archers*, the BBC's never-ending story of country folk. He will be the Ambrose molecatcher, and Jock Gallagher, the network editor for radio in Birmingham, may sack someone if he ever finds out who told me.

Gallagher is vexed that no-one can die in his neck of the woods without the whole nation learning of it days before the event. It happened with both Doris Archer, and more recently Polly Perks, landlady of The Bull. Now Gallagher is threatening that anyone caught leaking future turns in the plot of *The Archers* could be dismissed. "Secrecy is essential", he thunders, "leaking is unprofessional." But then you know what gossips those villagers are.

Support for... From Alice Mai... Sir, "Literature... in February 1981... some £850,000... the Arts Council... to the arts... money to pu... shops, to mag... readings, to cr... of Arvon) wh... people in acqu... both in writ... important in... live reading... bursaries too... as well as the... writers help... growing p... scheme know... dence.

So far the... mostly resided... establishments... to expand the... any organization... pursue writer's... the organiz... for pupils, as... and critical insu... literature. Ind... writers may inc... perature resie... dispersed betw... the writer has... higher work too... What is neede... yet more po... more viable id... throughout the... Arts Council's... ideas offered to... are new to it, rea... too much to tr... actively conce... an art and not... books.

THE TIMES DIARY

It is now possible to have one's arms and achievements run up by computer. Christopher Bayliss, a postgraduate student at Birmingham University, has written a computer programme which enables the user to type a heraldic description of a shield, and within minutes see it on a colour television screen.

Bayliss wrote the programme as part of his M Sc course. He did not expect it to be of further use, but now he has had inquiries from heraldry societies in England and abroad anxious to use it in teaching heraldry and designing new devices.

idea to the BBC as long ago as 1977.

Marks and Wilcox say that the BBC's internal investigation was confirmed this week, will be a marked change from the austere, but always kind, Evelyn Russell, whom he succeeds on April 5. Hopkin is a quick wit — he described the duty solicitors' scheme as "legalized touting" — and does not suffer fools gladly. Of one solicitor he said: "I never see him appearing before me without telling myself I must count to ten, and I never get past four."

Staying on

Shanghai's last foreign Jewish refugee has died, and been taken to Hongkong for a quiet burial in the Jewish cemetery. While arranging the funeral of Max Leibowitch, Victor Zirinsky, Israel's honorary consul-general in Hongkong and himself a Russian Jew who lived in Shanghai until



Are you here for Prison Book or to bail out your druggie daughter?

Coping with Core

An organization called the Core Group is offering to teach the wives of American company executives assigned here how to survive their years in Britain. It will hold a seminar in Windsor Castle in June to help participants adjust to their new environment and understand British attitudes and way of life.

The lectures include one by



P.O. Box 7, 200 Gray's Inn Road, London WC1X 8EZ. Telephone: 01-837 1234

A MODEST TONIC FOR RECOVERY

In twelve days time, with a thoughtfully pessimistic overture from the Prime Minister this week, the Chancellor will rise to tell us where we are and where he thinks we are going. Some of his sums have come right. The public sector borrowing requirement on which the Government now sets so much store is under control. But the recovery he predicted in last year's Budget has been slower than he hoped and is still uncertain. He dug a large hole with a deflation of £3bn and it was hoped it would be the foundation for a recovery led by private and public investment and exports. We supported this strategy. But Sir Geoffrey was more of a prisoner than anyone appreciated. He is freer today from an obsession with money supply targets, but the hopes for lower interest rates encouraging investment have been seriously diminished by world conditions, and especially American interest rates. Nor has there been the anticipated increase in public and private investment.

This, rather than British oil revenues, is the vital backcloth to the Budget, emphasising yet again the interdependence of the western economies. The effect of a drop in oil tax revenue, which Mrs Thatcher mentioned this week, is relatively small in terms of total government spending and taxation and is prone to large forecasting errors. The warning should be seen as a necessary caution against expectations that may have been raised too high.

But a recognition of the constraints on the Chancellor is not to argue for immobilism. It has emphasized the need to concentrate money on a variety of sophisticated measures that can within the limits of prudence restore the health of British industry. The Prime Minister was absolutely right to stress again that there can be no reflationary dash for growth which tries to solve Britain's economic problem by scattering pound notes from a helicopter, in the phrase of Milton Friedman. That would simply repeat all the past inflationary mistakes which have contributed to our difficulties.

There are two prime candidates for budgetary action. The first is the National Insurance Surcharge, which is a direct tax on jobs. Opponents of any cut in the surcharge say that employers will just pass it on to their workers as higher wages. There is no evidence to suggest that this is true. If it were, the outlook for Britain would be gloomy indeed. For it would effectively rule out any improvement in company profits, from whatever source, because this would be dissipated in higher pay settlements.

NIS has other objectionable characteristics. It is charged on the production of goods made in Britain but is not paid by imports. When goods are exported from the United Kingdom, the Value Added Tax which has been paid on them is refunded but the national insurance surcharge is not, thus making it a tax on our exports.

The Chancellor ought therefore to put a reduction in the insurance surcharge at the top of his list. Cutting it by two percentage points, as the Confederation of British Industry want, would cost about £1,500m. That would be a far better use of the money than giving new income tax cuts to boost consumption.

The second is to include some special help to encourage investment, not least in construction. Favourable consideration should also be given to ideas, such as those put forward by Mr Michael Gyllis, aimed at helping industry raise money on more attractive terms.

Anyone can draw up shopping lists of where the Chancellor should spend money at Budget time. But there has to be a recognition that there is very limited room for manoeuvre. Judging just how much money he ought to give away and thus how large a borrowing requirement he ought to accept is particularly difficult this year. The economy has stopped declining but the signs of recovery are weak now, and likely to stay that way for most of the rest of this year. Every Government's point of view we are already coming perilously close to the next election. Looking at the balance of £2,000m and £3,000m ought to give the economy enough of a fillip to get it moving without imposing unacceptable strains on interest rates and monetary policy. The Chancellor ought to be thinking along these lines in the run up to March 9.

NOR LEAD, NOR POISON

Next month the European Parliament in Strasbourg will debate a motion set down by British Conservative members calling for all new cars sold in the Community from January 1, 1985, to be designed to take lead-free petrol. The debate which has been pursued so spiritedly in Britain since the publication of the Yellowlees letter of February 8 now moves to the EEC. Rightly so, in the sense that the community's existing regulations forbid member nations to change over to petrol completely free of lead. The battle has to be fought and won there before Britain can implement such a change, and by pointing this out in a recent statement, Mrs Thatcher virtually invited the members of her party who tabled the Strasbourg motion to try their luck there. She should tell them all to support the move. But the regulations do not prevent a country from committing itself to making the change eventually, and Germany has already done so.

The claims and counter-claims made in recent weeks have not greatly affected the balance of apparent risks. The evidence of substantial damage to children from lead even at the low concentrations now mainly persuasive though not conclusive. There is still doubt about the share of blame due to lead from car exhausts, as distinct from other sources like industrial emissions, old paint and lead pipes. (It would be a dangerous error to let the future over petrol obscure the role of other sources—the last in particular, since a 1977 national study showed that 9 per cent of households had lead concentrations in their tapwater exceeding the level recommended by World Health Organization, a level twice as high as a limit proposed by the EEC.) But it is clear that the possibility of significant damage is great enough to justify maximum controls attainable without prohibitive cost.

The exact cost has been strongly disputed in our columns and elsewhere. Attempts have been made to show that a ban would actually save fuel and money, though the central problem of getting equal performance from an equal quantity of oil without extra refining costs is a hard one to get round. But it is unnecessary to go so far. Even on official estimates, the cost is not excessive. It is predicted that improvements in design may double efficiency of fuel use by the end of the century; a mere step or two towards that objective would amply cancel out the entire cost of eliminating lead.

lead from car exhausts, as distinct from other sources like industrial emissions, old paint and lead pipes. (It would be a dangerous error to let the future over petrol obscure the role of other sources—the last in particular, since a 1977 national study showed that 9 per cent of households had lead concentrations in their tapwater exceeding the level recommended by World Health Organization, a level twice as high as a limit proposed by the EEC.) But it is clear that the possibility of significant damage is great enough to justify maximum controls attainable without prohibitive cost.

The exact cost has been strongly disputed in our columns and elsewhere. Attempts have been made to show that a ban would actually save fuel and money, though the central problem of getting equal performance from an equal quantity of oil without extra refining costs is a hard one to get round. But it is unnecessary to go so far. Even on official estimates, the cost is not excessive. It is predicted that improvements in design may double efficiency of fuel use by the end of the century; a mere step or two towards that objective would amply cancel out the entire cost of eliminating lead.

In his letter of February 18, Mr Tony Durant, MP, rejected our charge that the official policy was an unsatisfactory compromise. He claimed that short of banning all existing cars, the government's course "would make the biggest reduction in lead emissions in the shortest possible time". That is true as far as it goes. Most existing cars cannot run on completely lead-free petrol, and their natural lives stretch many years ahead. The government's decision to limit lead in petrol to the lowest level that today's cars can cope with is a necessary step towards progress. But it is unthinkable that progress should stop short at 1985. It is necessary to ensure that as today's cars grow old, they are superseded by a generation of cars using no lead at all. The right and proper corollary of the government's policy should have been an announcement that all new cars sold after that date, or the earliest date the EEC permitted, should run without need of the poison. The sooner an announcement is made to that effect, the better our manufacturers will be able, like their competitors in Japan and America, to start planning for a certainty rather than an uncertainty.

Support for literature

From Miss Margherita Laski
Sir, "Literature," writes Bryan Appleyard in *The Times* today (February 15), "[is] the only serious art apart from cinema to be almost entirely independent of public subsidy". Whatever can be thinking, or rather, not thinking of, is a pity.

The Arts Council, through its literature department, spends some £850,000 a year on subsidising the art of literature: by money to publishers, to bookshops, to magazines, poetry readings, to courses (like those of Arvon) where writers help people to acquire literary skills, both in writing and, more importantly, in critically appreciative reading. These, and major bursaries too, help living writers as well as the older art; and living writers help and are helped by the growing popularity of the scheme known as writers-in-residence.

So far these writers have mostly resided in educational establishments, but we are eager to expand the scheme to almost any organization willing to provide a writer with a chance to pursue her/his craft while offering the organization's members (or pupils, as it may be) exciting and critical insights into creative literature. Indeed, many such writers are increasingly working in peripatetic residence, willing to move between an organization's dispersed branches—so long as the writer has time and place for higher work too.

What is needed most is not (or not yet) more public subsidy, but more viable ideas on how to increase the uses of literature throughout the community. The Arts Council's Literature Panel will hopefully examine any such ideas offered to it so long as they are new to it, realistic, won't cost too much to try out, and are genuinely concerned with increasing the use of literature as an art and not just in selling books.

Bryan Appleyard can rest (nearly) assured that no scheme that can show itself able successfully to encourage any group in the community to benefit from the art of literature will fail for lack of Arts Council support. Yours faithfully, MARGHERITA LASKI, Chairman of the Literature Panel, The Arts Council of Great Britain (Literature Department), 9 Long Acre, WC2, February 15.

University courses

From Professor Gareth L. Williams
Sir, The apologetic attitude of some vice-chancellors about subjects other than science and technology really is unnecessary except as a sop to the ill-informed prejudices of politicians. Science and technology account for a proportion of new entrants to degree-level courses in Britain that is higher than any other major OECD country. (This is also the case if technology is considered separately.) Obviously, there are many ways international statistics can be manipulated, and comparisons are treacherous as well as odious. But no classification is possible to support any claim that, compared with other countries, our resources are devoted disproportionately to non-vocational higher education or to areas such as social sciences and the humanities. The countries with significantly higher proportions than us of students and graduates in science and technology are those of Eastern Europe which, at the moment, does not seem to be a strong recommendation.

There are many things wrong with British higher education in relation to our economic needs, but inadequate emphasis on science and technology is not one of them. One of them is excessive specialisation. While there is little

evidence that we are deficient in specialist scientific and technological skills, there is reason to believe that our management and marketing performance is inadequate. Scientists and engineers with language skills and an understanding of the social and cultural climate in which they are working would almost certainly help. But to achieve this we need first a reform of the A-level examination. This is something that successive governments, aided and abetted by vested interests in many universities, have consistently refused to undertake.

Yours sincerely, GARETH L. WILLIAMS, Professor of Educational Planning, University of Lancaster, Department of Educational Research, Carmel College, Bailrigg, Lancaster.

State of art market

From the President of the British Antique Dealers' Association Ltd
Sir, I note with interest your article by Frances Gibb (February 19) regarding the closure by Messrs Sotheby's of their Belvoir room and also the heavy pruning of their various outposts, notably New York. I am concerned that their chief executive, Mr Llewellyn, blames the state of the art market for their present difficulties. May I suggest that it is not the art market's fault but their own "Napoleonic" expansion, partially financed by the revenue from the buyers' premium that is causing their problems? Sotheby's are only a part of the art market, not the whole of it. Yours sincerely, CHARLES B. LEE, President, The British Antique Dealers' Association Ltd, 20 Rutland Gate, SW7, February 19.

Bolder loans for small business

From Mr L. Lee
Sir, The Government's loan guarantee scheme to help small business has been a considerable success. As a member of a European association of popular credit banks we at the Co-operative Bank were able initially to draw on our colleagues' experience and "back" schemes when higher British banks hesitated. We were also encouraged to offer the loans at a lower interest rate than any other United Kingdom clearing bank, and that remains the case despite recent reductions by competitors. As a result, our managers up and down the country have become vividly aware of the interest the scheme is generating among small businesses. But we are aware equally that the scheme is only a beginning and that it needs to be considerably expanded if it is to achieve its full potential as an aid to small business growth.

First of all, the limit under the scheme should be raised from £75,000 to £250,000. It is a curiosity that we in Britain tend to talk of "small business", whereas in mainland Europe, the unit is "small and medium-sized enterprises" and a £250,000 upper limit would be logical. Furthermore, the Government premium of 3 per cent is too high; experience in other countries suggests 1 per cent would be enough in a mature scheme, so a reduction at least to 2 per cent would be an encouragement to enterprise which should not undermine the financial basis of the scheme. Small and medium-sized enterprises have a singular role to play in the long-term creation of jobs. The Government's cautious guarantee scheme has already encouraged many hesitant entrepreneurs to start a business, and it is time now for a bolder scheme to accelerate the development.

Yours faithfully, L. LEE, Co-operative Bank Limited, P.O. Box 101, 1 Balloon Street, Manchester, February 17.

Taxation and inflation

From Mr P. E. Crutwell
Sir, It seems generally thought that the Chancellor may make some reduction in direct taxation, but is also likely to increase duties on petrol, drink, tobacco, etc. In view of the effect on the cost of living index it is difficult to see how this policy—to which Sir Geoffrey seems permanently wedded—contributes to the priority of reducing inflation. And the unemployed and the pensioners who pay no income tax will be further squeezed. Yours faithfully, P. E. CRUTWELL, Burton Court, Brompton Ralph, Taunton, Somerset.

Mental health reform

From Mr Malcolm Hurwitt
Sir, If the case put by Dr D. N. Marsh of Spaldmoor Hospital (February 11) for restricting the right of mental patients to sue for negligence is the strongest that can be made, then those who oppose that restriction ought to be home and dry. Dr N. Marsh mentions three cases where the alleged relatives before they were admitted to hospital and then says that "it is at least possible that one factor common to these cases" is the fear by the psychiatric services of complaints and litigation. He further states that the Mental Health Act (Amendment) Bill "will lead to further tragedies of the kind described above". This sort of speculation is no basis on which to found the removal of the right of a citizen to access to the courts.

The fears of the psychiatric services are quite unjustified when considered in the light of the existing law and the mental difficulties of a criminal prosecution by a patient is virtually impossible because legal aid is not available for prosecutions by individuals. If the case were taken over by the police the criminal would be objectively considered by the legal department of the police force concerned.

A civil action by a patient would be the vast majority of cases require legal aid and in order to obtain this the patient would have to satisfy the legal aid committee of the Law Society that there were reasonable grounds for commencing proceedings. The evidence necessary to discharge this burden would have to be collected by a patient detained in a hospital and most of the witnesses readily available to him would be other patients.

The High Court already has power to restrain any proceedings which are frivolous or vexatious but it requires proof of this and does not assume it simply because of litigation is ill. The number of applications to the High Court by patients asking for leave to commence proceedings under the Mental Health Act, 1959, is four or five a year and it is disconcerting to say the least, that efforts to remove the stigma of mental illness by placing patients as nearly as possible in the same position as physically ill patients should be the subject of a rearguard action by members of the psychiatric services.

Yours faithfully, MALCOLM HURWITT, (Legal Member, Mental Health Review Tribunal), 51 South Road, Southall, Middlesex.

Cost-effective local government

From the Leader of West Yorkshire Metropolitan Council
Sir, There is a rumour that the Government are again contemplating interference with the structure of local government. The six metropolitan counties have been singled out for special mention as prime candidates for removal. I have the honour to be the Leader of the West Yorkshire Metropolitan Council. With my colleagues we have the responsibility of trying to deal with the problems of a major urban agglomeration of two million people. At the time of creation of the metropolitan counties all informed bodies were convinced of the necessity for an elected council which could take an overview of the problems of these conurbations. The report of Lord Redcliffe-Maud's royal commission, the Labour Government in 1970 and the Conservative Government in 1972 all came to the conclusion that such bodies were essential.

Since their creation they have been the victims of constant harassment by successive governments. Their functions and very existence has been under constant review. They control the police only at one remove through the police committees. They control public transport at one remove through a passenger transport executive and through British Rail. Their planning functions have been progressively eroded. A network of quangos has been established to carry out functions which ought properly to have been integrated with their functions—urban development corporations, partnerships teams and the like. Their expenditure has been set at quite unreasonably low levels (even when four out of the six

metropolitan county councils were controlled by Conservative majorities they were hugely above target). Their financial allocations from the Department of the Environment do not even take into account the spreading they are authorised to make by other government departments. Capital finance available to my own county council for transportation purposes is now 25 per cent of its value in real terms six years ago.

The most effective step to make local government more cost-effective and accountable would be to lift some of these constraints and not to strengthen them. Any piecemeal tinkering with local government would be very expensive. Functions such as police, fire, public transport, strategic planning and highways would be transferred either to quangos or to non-accountable bureaucrats or to ineffective joint authority committees. If metropolitan counties were swept away such a move would only be a costly interim measure which would do no more than ensure the need for a further wholesale reorganisation of local government in the near future.

If change is to take place then it should be done in the total context of the financing of local government and the re-examination of its relationship with central government. Increasing interference by central government in local affairs on an ad hoc and unplanned basis is expensive and counter-productive in the extreme. Yours sincerely, JOHN GUNNELL, West Yorkshire Metropolitan Council, County Hall, Wakefield, West Yorkshire, February 18.

Canada's Constitution

From Sir Derek Walker-Smith, QC, MP for Hertfordshire East (Conservative)
Sir, In his letter of February 22 Mr Maxwell-Hyslop seeks to defend the advice which he gave on the second reading of the Canada Bill to enact it without delay with its proposed Canadian Constitution and to leave subsequent questions about its interpretation and validity to the courts of Canada.

The danger of such a position is a real one: the possibility of a conflict between an instrument valid in English law as the product of the sovereignty of Parliament, on the one hand, and the judgment of the Canadian courts querying the position and status of the Constitution enacted therein. Of course, it may never happen. The Canadian courts may reject the Quebec appeal, in which case our question would be settled. But suppose they do not. Suppose, after enactment of the Canada Bill, the Canadian courts uphold the Quebec case. There then inescapably arises a difficult, and potentially dangerous situation, the undesirable nature of which was stressed in the House by respected and experienced Privy Counsellors like Sir Angus Maude and Mr Douglas Jay.

The Quebec case is based on two propositions, that the consent of Quebec is required because of constitutional convention imposed by the principle of unanimity, and secondly because of the principle of "duality" basic to the federation and to Quebec's position at the heart of it—both propositions open questions as far as the Supreme Court is concerned. It is not for us in Britain to anticipate the

findings of the Canadian courts, but it would be still less appropriate to assume in advance an adverse finding. After all, there are over 50 pages of submission, signed by three learned Professors of Quebec law. Neither in his letter nor in his speech in the House did Mr Maxwell-Hyslop deal with this case or indeed claim to have studied it, but it will be closely studied by the Canadian courts and not just against the background of English statute law but in the light of the constitutional convention embodying the federal-provincial relationship which is the heart of the Constitution.

If the Canadian courts were to conclude, as is submitted by Quebec, that the requisite degree of consent was not forthcoming, it seems to me clear that they would not, as custodians of the Constitution and its principles, sanction or confirm its ratification, even though enacted by the British Parliament, which failed in this fundamental respect. Such is the undesirable position which may arise on one possible outcome of the exercise by the Canadian courts of their jurisdiction; but it need not arise, since a short delay can remove the danger, either by way of the court's rejection of the Quebec case, or, if that case succeeds, by an opportunity for reconsideration by both British and Canadian Parliaments in order to bring their proposals into line with constitutional propriety and due regard to the findings of the courts.

So small a delay for so great a gain is surely not much to ask. I am, Sir, your obedient servant, DEREK WALKER-SMITH, House of Commons.

Antiquities Bill

From Mr Charles Sparrow, QC
Sir, Readers of Mr Farthing's letter implying the Antiquities Bill (February 11) might care to know that at a recent general meeting of the Council for British Archaeology, that body passed a resolution welcoming the introduction of the Bill and fervently hoping that it would pass into law. On that occasion, your correspondent Mr Farthing was one of a dissentient minority of two.

During the debate on second reading in the House of Lords, the Bill was supported by all speakers and, significantly, by Lord Windlesham, on behalf of the Trustees of the British Museum, and by Lord Elynn-Jones, formerly Lord Chancellor. Mr Farthing's detection in the Bill of a "hangover from the Middle Ages" is hardly perceptible. That is a fair description of the existing law of treasure trove, which this Bill seeks to reform. As Lord Elynn-Jones said in the House of Lords, the law in this field is a mess. That is why the Antiquities Bill is needed.

The fine of £500 mentioned by Mr Farthing is, of course, a maximum. Many informed people regard that as a lenient limitation in a measure which might have to deal with the misappropriation of a hoard of "gold coins" worth, quite possibly, £500,000.

When complaining of the Bill's time limit for the reporting of finds, Mr Farthing might have noticed the existing law. As matters stand, the law expects a finder to report treasure trove forthwith. And that is so even though, as the Court of Appeal has ruled, an apparent gold or silver coin will be treasure trove only if it contains a "substantial amount" of the metal, whatever that may mean.

On these matters, there is no difference of principle between the Bill and the present law. Nor should there be. The Bill simply introduces precision of detail and some sanction against Mr Farthing's "dubious finder". I am, Sir, your obedient servant, CHARLES SPARROW, Honorary Legal Adviser, Council for British Archaeology, 13 Old Square, Lincoln's Inn, WC2.

Questions for the Pope

From Mr John Wright
Sir, One of the great benefits of television is that it brings into our living rooms public figures of national and international importance and submits them to courteous but firm questioning by interviewers on well briefed policies. It creates the feeling that we are discussing questions of public interest with them personally, with the advantage of asking by proxy those important supplementary questions which we ourselves might only have thought of afterwards.

This is now a fundamental part of the democracy of church and state in this country and virtually everyone of importance, not excepting the Heir to the Throne, the Archbishop of Canterbury, and the Prime Minister, is prepared to explain and justify their policies in this way to the general public. Can we hope that at some time during his visit the Pope will take

part in this kind of friendly and informal discussion, in which the difficulties caused by some of his Church's policies can be raised? There are several fundamental questions of principle which at present form a barrier between the Roman Catholic and Protestant communities: for example, whether priests must be male and celibate, and of course the question of our attitudes to contraception in view of the problems of excessive population growth.

There is a great deal of affection and respect here for an outstanding and immensely influential world figure of great courage; but he sometimes seems rather remote, and many of us wonder how much he is exposed, if at all, to the arguments against some of the views he has stated publicly.

Yours faithfully, JOHN WRIGHT, Webb's Farmhouse, Cuckham Road, West Sussex, February 17.

Concern for Polish academic

From Professor Sir Alfred Ayer, FBA, and others
Sir, The life of Dr Jan Jozef Lipski is in danger. Jan Jozef Lipski is one of the many Poles recently imprisoned by the military authorities in Warsaw. He would already have faced summary trial by a military court were he not gravely ill.

Dr Jan Jozef Lipski is very well known in his country, and has many friends in the West, being a representative of the best qualities of the modern Polish intellectual community. A soldier of the Home Army and participant in the Warsaw uprising in his teens, a distinguished historian and literary critic in his professional life and an unrelenting fighter for democracy for the last three decades, Lipski was a co-founder of the Workers' Defence Committee (KOR) and a leading figure in Solidarity.

Recently, Dr Lipski has suffered two successive heart attacks, following a long record of debilitating heart disease. He has been called urgently for extensive examination and treatment to London, where three years ago he underwent an operation for the exchange of heart valves by the eminent surgeon, Dr Mehdi Yacoub.

Response to this call to treatment has been prevented by Dr Lipski's detention. These circumstances engender the most serious fears for Dr Lipski's life and we appeal to the Red Cross, to Amnesty International and to all people of good will to demand that Dr Lipski be immediately permitted to undergo treatment by his doctor in his country. We also appeal to Poland's present military rulers, who have asserted that they do not wish to risk human lives, for the release of Dr Lipski.

His life, as the life of every individual, is of ultimate importance for everybody who stands for human rights.

Yours etc., A. J. AYER, ROBERT BULL, RICHARD GOSWAMI, J. A. HARRIS, D. H. HUGHES, J. P. D. WILSON, F. O. WOLF, W. S. WISE, NORMAN DAVIES, STEVEN LUDEN, A. M. WATSON, ANTHONY COLMAN, MARGARET JARVIS, J. F. C. WOLF, EDWARD L. GORDON, LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE, Houghton Street, WC2, February 19.

Enduring Latin

From the Secretary of the British Academy
Sir, Help is already on the way for Dr Michael Latham's *Medieval Latin*. Two fascicles of the *Medieval Latin Dictionary* have already carried it to the end of the formidable letter C. The fascicle, D-E is scheduled for publication next year. All Dr Latham has to do is to make his order for these and for the successor volumes which will appear regularly thereafter. In the meantime Mr Latham's *Medieval Latin Wordlist*, much enlarged and revised, is available in a new edition.

In order to restrain costs the new edition of the *Wordlist* is being applied to the production of future volumes. This will also reduce the gaps between the appearance of successive parts.

I am, Sir, etc., JOHN CARSWELL, The British Academy, Burlington House, W10, February 20.

Passing judgment

From Mr Peter Frank
Sir, I am delighted with the effect of the baggage handling dispute at London Airport. On Sunday I arrived by Swiss Air from Geneva at 18.05, and had passed through Customs by 18.20. The remedy is obvious.

Yours faithfully, PETER FRANK, 7 Fitzroy Square, W1, February 22.

Track record

From Mr P. R. Davis
Sir, On the day of the publication of Lord McCarthy's report it is not somewhat ironic that at the top of *The Times's* list of best-selling books appears "Great Railway Journeys of the World"? Yours faithfully, P. R. DAVIS, 5 St Clare Street, Minster, E.C.3, February 17.

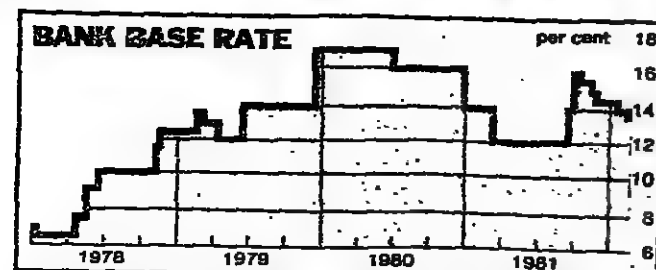
Sizable error

From Mrs Ann Hall
Sir, I should like to think that the word "morosity" used to describe the Barbican Centre in today's issue (*The Times* 23) referred to the £153m cost of the wretched thing, but I fear that your staff reporter believed that it meant "vastness" rather than "slovenly wickedness or crime". Yours faithfully, ANN HALL, 24 Newton Road, Bayswater, W2, February 23.

From Sir Christopher Lawrence-Jones
Sir, In today's *Times* Diary (February 22) it is reported that, prior to Mr Chirac dining at the Intercontinental Hotel "the receptionist has been warned". Do you not think she would perform her duties better at room temperature? Yours faithfully, CHRISTOPHER LAWRENCE-JONES, Silverwood House, London Road, Ascot, Berkshire, February 22.

BUSINESS NEWS

Will the fall continue?



Base rates fell by 1/2 per cent to 13% per cent yesterday, continuing the steady decline since the middle of last October. After peaking at 16 per cent at the beginning of October, base rates have since fallen by 1/2 per cent a month. Although yesterday's move was judged premature by some, there is optimism that the decline will continue.

Sea oil cheaper

Further cuts of at least \$2 and possibly \$4 a barrel in the price of North Sea oil are now widely regarded as inevitable in the oil industry. They are likely to push petrol prices a few pence lower, and deprive the Government of anything up to \$200m in lost revenue. The fall in oil prices has prompted speculation that the Government's planned flotation of shares in the British National Oil Corporation later this year may have to be postponed.

Ansbacher rights issue

Henry Ansbacher, the small London issuing house, announced a long-awaited rights issue for £8.6m on the basis of 9 for 10 at 10p, a bid for Seascope and a big restructuring of its shareholders. This gives the Touche Renmant Group a 20 per cent stake in Ansbacher, and leads to a widening of the financial services offered. It raises the authorized share capital from £5m to £15m. The shares fell 1p to 17 1/2p.

Unit trusts do well

Unit trusts had a good month during January with total sales up nearly £2m on the previous month at £57.5m. But the number of investors cashing in rose slightly from £23.6m in December to £28.3m in January, leaving net new investment for the month at £29.2m, about £2.3m down on December. Three new funds launched in January were: Bishopsgate Progressive Beckman International Capital Accumulation Unit Trust, Britannia Hong Kong Performance Trust and National Westminster Energy Trust.

Britons not the top strikers

The myth that Britain has been particularly strike-prone in recent years is disproved in a new article in the Department of Employment's Gazette, which shows that Britain continues to occupy a mid-ranking position in the international strikes league table. Between 1976 and 1980 an average of 566 working days a year were lost in Britain for every 1,000 workers, equivalent to just over half a working day per employee. Out of 17 industrial countries, six had higher strike rates than this, led by Spain (1,749), Italy (1,174), and Ireland (1,064). Ten other countries had lower rates, the best records being held by the Netherlands (30), Norway (42), Japan (43) and Germany (52). The provisional number of days lost in Britain through strikes in last month was 449,000, rather higher than the 350,000 a month averaged during 1981.

MARKET SUMMARY

Jobbers run tight books

Amersham International and third-quarter results from Plessey. After being down 9.1 at midday the FT Index recovered slightly to close down 6.4 at 552.6, a two-day fall of 15.6. As sterling slipped in foreign exchanges, there were falls in gilts, which had initially been marked up on the cut in bank base rates, with long ending 8 1/2% and short dated unchanged or 1/2% easier.

The depressed state of the equity market comes with Amersham International's debut today. More than 90 per cent of employees took up the Government's offer of £25m worth of free shares in the company. The Stock Exchange Council is opening the trading floor 10 minutes early to allow brokers to form an orderly queue to do business in the 24-hours over-subscribed issue, and estimates remain unchanged that it will open at a 30p premium over the 142p issue price. In the oil sector, where gloom over the world glut has hit prices, Lasso shed 10p to 274p on reports that it had a dry well in the Shirley field.

OTHER EXCHANGES

Tokyo: Nikkei Dow Jones average 7,684.02, down 50.54. Hongkong: Hang Seng index 1,267.12, up 11.79.

COMMODITIES

Cocoa futures rose yesterday to their highest traded level of the week, representing an upswing from Monday's low in near-March of £24 a tonne. March traded to £1,192 against Monday's low of £1,158, dealers said.

TODAY

Mr Tony Benn, MP, attends launch of the film, "Whose Progress?", on the effects of micro-technology. City seminar on problems of foreign banks in London. Mr Kenneth Baker, Minister for Information Technology, opens a new financial planning service. Energy trends: new vehicle registrations in January. Board meetings: Half-yearly: Footwear Industry Investments, Plessey (3-month figures), Ramar Textiles, Scottish Investments (1st quarter), Tor Investment Trust. Finance: Cardinal Investments, Imperial Chemical Industries, New Dairies Oil Trust, St Andrew Trust, SKF, Ward Holdings, Westwood Daves.

Borrowing becomes cheaper, but markets remain gloomy

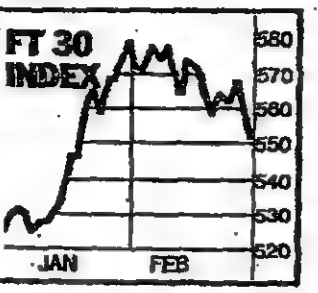
Banks' base rate cut eases pressure on industry

High Street banks cut the cost of borrowing yesterday with a 1/2 point drop in base rates to 13 1/2 per cent. The move will help ease the pressure on industry where top-quality borrowers will now be paying 1 1/2 per cent on their overdrafts. Overdrafts for private borrowers will also come down to between 15% to 18% per cent. The move should soon lead to cheaper home loans from the building societies. Although Barclays led the way yesterday, and was soon followed by other big clearing banks, National Westminster was the only one to top its mortgage rate, which goes down from 15 to 14 1/2 per cent. The big clearers have also lowered their deposit rates to 5 1/2 per cent to 11 per cent. Barclays, which had been offering savers 1/2 per cent more than the others, came into line with a 1 per cent cut. A drop in base rates has been expected following the dip in prime rates in the United States after last week's encouraging American money supply figures, and the easing of domestic money market rates this week. Base rates are now at their lowest level since last September, when they moved up sharply from 12 to 14 per cent. But the timing of yesterday's move still took the markets slightly by surprise, as technical factors were making for fairly tight conditions in short-term money rates. With the key seven-day interbank rate at 14 1/2 per cent, the banks have little room for manoeuvre should rates start to firm again. However, the City believes that the Government is keen to see interest rates continue falling to help industry out of the recession. Barclays said yesterday that it expected the downward trend of the last few months to continue and interest rates could be down to 11 to 12 per cent by the end of the year.

Sterling weakened on foreign exchange markets yesterday, falling at one stage to \$2.20. But, with the help of intervention by the Bank, it bounced back to close 15 points down at \$1.8300. There is speculation that, providing the forthcoming Budget is well received, the banks could be able to lower their base rates by a further 1/2 per cent after the Budget.

Stocks catch Budget jitters

The cold water poured over optimistic Budget forecasts by Mrs Thatcher on Tuesday night hit the stock market yesterday, driving the Financial Times Index of Britain's top 300 companies down nine points at one stage. The Prime Minister's comments were too much for a market already nervous in an account period which takes in Budget Day and which is worried about what ICI might say about current trading when it produces full time results later today. In turn stages were concerned that the present gloom will take the edge off profits they hope to make on new atomic issue, Amersham International, when dealings start today. As a result



between 250,000 and 500,000 shares came on offer in BP, Thame EM, Sainsbury, Asda, Hawker Siddeley, Gil and Duffus, Electronic Rentals and Rio Tinto Zinc. Most of the selling came from Europe. By noon it looked as though the FT Index would notch up an 18 point fall in two days. But by the time the Queen Mother arrived on an informal visit to have lunch with Stock Exchange chairman Sir Nicholas Goodison, most of the trading floor excitement was over. The index closed 6.4 points lower at 552.6.

Gill & Duffus shares drop 9p

Shares in Gill & Duffus, one of London's biggest commodity trading houses, fell 9p to 162p yesterday on reports that a company has lost money in the troubled tin market. One member of the London Metal Exchange is known to have borrowed tin heavily to support its short position. Mr Roger Thorne, a director of Gill & Duffus, said last night that the firm had lost money in dealings on its own behalf, although some clients may have lost money. "The tin market has been chaotic," he said. "We have made a lot of money and have

given some of it back. Gill & Duffus has been a small borrower of tin." Despite reports from Kuala Lumpur that the mystery buyer who has demonstrated the tin market since last July would insist on physical delivery from those who want to sell, the tin market has passed quietly. Cash tin fell by 70 a tonne to £8,095, while three months tin eased £5 to £7,965. But the cash price was supported by purchases from a broker not previously associated with the buying operation. This has led to market speculation that the operators have changed tactics. Market sources said that the same ring dealer who had borrowed 2,000 tonnes of tin on Tuesday was a heavy borrower again yesterday. At least 5,000 tonnes was involved. Gill & Duffus, whose traditional markets are coffee, cocoa and rubber, revealed last October that it had lost £6m from unauthorized commodity dealings in Hongkong. Earlier this month, Mr Pat Aitken resigned as chairman.

Builders in call for Budget aid

New orders for building work in Britain were 4 per cent higher last year than in 1980, according to Government statistics released yesterday. No sooner were the figures released, however, than from all sides of the industry came renewed calls to Sir Geoffrey Howe, Chancellor of the Exchequer, to include some significant aid to capital investment in his Budget.

Mr Norman Lamont, Minister of State at the Department of Industry, told MPs yesterday that privatization remained the Government's long term aim but because of Rolls-Royce losses and its involvement in several engine development projects it was not yet a practical proposition. Rolls-Royce was also engaged in defence contracts which gave rise to further uncertainties. He also dismissed the possibility of injections of private equity capital into Rolls-Royce and said a public sale would not occur in the next 2-3 years, which takes in the life span of the present government.

Although ministers were understood to have been encouraged by the figures, the Department of Environment did not suggest that recovery was on the way for one of Britain's most labour-intensive and recession-hit industries. "The figures confirmed 'no sign of any significant upturn in the industry,'" according to Mr Kenneth Cooper, director-general of the National Federation of Building Trades Employers. The Federation of Civil Engineering Contractors reckons that the real picture is far worse than the official figures show. It says that much civil engineering works are back to the same level of output in 1981. Mr Les Wood, general secretary of the Union of Construction Allied Trades and Technicians, spoke of "a crisis, not just for the construction industry, but for Government economic policy."

New orders in public housing in the fourth quarter of 1981 were 41 per cent up on the previous quarter and 53 per cent higher than the last quarter of 1980. The D of E attributed this remarkable rise to local authorities having raised money from the sale of council houses.

Institute predicts only slow growth

Jobless forecast at 3.5 million

The British economy faces another two years of slow growth, rising unemployment and inflation around 10 per cent according to the National Institute of Economic and Social Research. In its latest quarterly Economic Review the institute predicts output will rise by only three quarters of a per cent during 1982 and that the underlying level of unemployment will go up by 300,000. The Institute predicts further rises in unemployment next year, with average for adult unemployment set at 3.3 million implying that if school leavers are counted as well the total out of work will be 3.5 million. At the same time as the Institute produced its gloomy forecasts, Oxford Economic Forecasting predicted that growth this year would be 1.2 per cent and it would rise next year to 2.3 per cent, though this would not be enough to reduce unemployment.

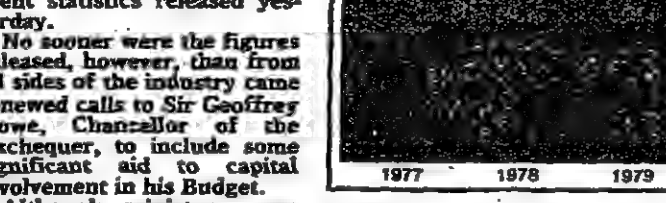
Rolls-Royce sell-off deferred

The Government has ruled out any attempt to sell the state-owned Rolls-Royce aero-engine manufacturer to the private sector for at least three years, despite firm predictions that the company will become profitable next year.

Mr Norman Lamont, Minister of State at the Department of Industry, told MPs yesterday that privatization remained the Government's long term aim but because of Rolls-Royce losses and its involvement in several engine development projects it was not yet a practical proposition. Rolls-Royce was also engaged in defence contracts which gave rise to further uncertainties. He also dismissed the possibility of injections of private equity capital into Rolls-Royce and said a public sale would not occur in the next 2-3 years, which takes in the life span of the present government.

Informal discussions have been taking place in Whitehall between the company and Government officials, with both sides apparently agreeing that the time for privatization has not yet arrived. Rolls-Royce directors believe the company will not be ready for such a move until 1986. The Lamont, giving evidence to the Commons Select Committee on Industry and Trade, said that R-R, which was taken into state ownership after its collapse 11 years ago, had failed to meet financial targets set by the National Enterprise Board and the Government would not set any financial target until the company returned to profits. His comments followed the disclosure by R-R on Tuesday that it would be seeking further state funds to finance its joint venture with Japanese manufacturers to develop the RJ 500 jet engine. The aerospace industry is also looking to the Government to assist with investments in the proposed A 320, 150-seater airliner of Airbus Industrie and in development of the Westland Wc30 helicopter.

Later, addressing the Society of British Aerospace Companies in London, the minister said: "The Government has indeed indicated its willingness to consider any requests for support on the basis of an investment repayable by levy on sales. It has also made clear that it would have to do so against the background of resources available at the time and the merits of the particular project."



Building Trades Employers. The Federation of Civil Engineering Contractors reckons that the real picture is far worse than the official figures show. It says that much civil engineering works are back to the same level of output in 1981. Mr Les Wood, general secretary of the Union of Construction Allied Trades and Technicians, spoke of "a crisis, not just for the construction industry, but for Government economic policy."

New orders in public housing in the fourth quarter of 1981 were 41 per cent up on the previous quarter and 53 per cent higher than the last quarter of 1980. The D of E attributed this remarkable rise to local authorities having raised money from the sale of council houses.

Lonrho to seek expansion cash

Lonrho, the international trading company which is preparing a second takeover bid for the House of Fraser stores group, yesterday told shareholders it wants to raise its borrowing power by 50 per cent, enabling its debts to be almost three times what they are now.

In a separate letter to its shareholders accompanying the annual report, Lonrho says that an increase in the group's borrowing power is necessary to allow for future expansion and development. Mr Paul Spicer, a director, said last night: "I'm told this is just bringing us into line with other companies."

But the move could well meet resistance from Lonrho's largest institutional shareholder, Gulf Finance, which is backed by the Kuwait Royal Family and has around 15 per cent of the equity. Gulf has already challenged Lonrho once. It failed to block a move by the group headed by Mr Roland "Tiny" Rowland to increase the number of shares it had more than a year ago. A special resolution is needed to increase the borrowing limit to equal three times its total capital and reserves. This would raise the limit from £976m to £1,464m. Borrowings at the end of last September stood at £589m.

In his annual report Mr Rowland says that the group is moving to resolve the stated objections of the Monopolies Commission to his 150p a share bid for the House of Fraser. Lonrho has given guarantees not to interfere with the running of the group which owns Harrods, but has obtained a letter allowing it to bid again if it can meet the criticisms of the Commission.

Lonrho want to revise its borrowing limit to equal three times its total capital and reserves. This would raise the limit from £976m to £1,464m. Borrowings at the end of last September stood at £589m.

In his annual report Mr Rowland says that the group is moving to resolve the stated objections of the Monopolies Commission to his 150p a share bid for the House of Fraser. Lonrho has given guarantees not to interfere with the running of the group which owns Harrods, but has obtained a letter allowing it to bid again if it can meet the criticisms of the Commission.

Biffen warns of trade war threat

Mr John Biffen, Secretary for Trade, issued a warning last night of the threat of a world trade war caused by a marked increase in protectionist pressures against the United States and the United States, indicated that he was against further isolating Japan by waging a trade war. Speaking of the new tensions between the trading powers Mr Biffen referred to the dispute over Europe's steel exports to the United States, American criticisms of the European Community's policy, and insistence from both sides of the Atlantic that Japan's growing surpluses with the United States and Europe, last year reported to total \$24,000m, were unacceptable.

Mr Biffen told the Conservative Group: "I have the little doubt that the present tensions between the trading powers represent the gravest threat to the open trading system in the post-war era."

Midland Bank Interest Rates

Effective from 25th February 1982.
Base Rate
Reduces by 1/2% to 13 1/2% per annum.
Deposit Accounts
Interest paid quarterly on 7 day deposit accounts reduces by 1/2% to 11% p.a. APR 11.4%.
Abatement Allowance
On ledger credit balances of current accounts which are subject to the standard personal current account tariff and do not qualify for free terms reduces by 1/2% to 7% p.a.



Daejon Holdings PLC

INTERIM STATEMENT			
Unaudited results for the half year ended 30th September 1981			
	6 months to 30.9.81	6 months to 30.9.80	
	£'000	£'000	
Rent and Service Charges	2,170	2,834	
less Property Outgoings			
Surplus on Sales of Properties	3,603	2,480	
Other Income	12	71	
	5,785	5,385	
Financing Charges & Other Expenses	2,989	3,440	
Group Profit before Tax	2,796	1,945	
Taxation	1,150	750	
Minority Interests	9	9	
Transfer to Capital Reserve	114	766	
	1,273	1,179	
Earnings Per Share	10.05p	7.28p	

* Includes £366,000 relating to previous year.
An Interim Dividend of 1.925p per share (1980-1.225p) will be paid on 19th March 1982 to shareholders registered on 26th February 1982.
Preliminary results of the revaluation of the U.K. portfolio carried out as at 31st January 1982 reveal a surplus over book values of £23 million in respect of investment properties and £27 million in respect of trading properties. The investment properties surplus will be incorporated into the March 1982 Accounts.

THE HONGKONG BANK GROUP

announces that
on and after:

25th February, 1982

the following annual rates
will apply

Base Rate . . 13½%

(Previously 14 %)

Deposit Rate (basic) 11%

(Previously 12 %)

**The Hongkong and Shanghai
Banking Corporation**

**The British Bank
of the Middle East**

**Mercantile Bank Limited
Antony Gibbs & Sons, Ltd.**

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

The Over-the-Counter Market

1981/82	High	Low	Company	Price	Ch'ge	Gross Div	Yld %	P/E Actual	P/E Fully Taxed
124	100	ABE Hldgs 10% CULS	124	—	10.0	8.1	—	—	—
75	62	Airsprung Group	70	—	4.7	6.7	11.1	15.4	—
51	33	Armstrong & Rhodes	45	+1	4.3	9.6	3.8	8.5	—
205	137	Bardon Hill	201	-2	9.7	4.8	9.8	11.9	—
104	70	Deborah Services	70	-1	6.0	8.6	3.5	6.6	—
131	57	Frank Horsell	131	-	6.4	4.9	11.8	24.3	—
63	39	Frederick Parker	83	-	6.4	7.7	4.2	6.1	—
78	46	George Blair	51	-	—	—	—	—	—
102	93	Ind. Pref. Castings	95	-	7.3	7.7	6.8	10.3	—
106	100	Isis Conv Pref	106	-	15.7	14.8	—	—	—
113	94	Jackson Group	96	-	7.0	7.3	3.0	6.8	—
130	108	James Burrough	112	-	8.7	7.8	8.2	10.3	—
334	250	Robert Jenkins	250	-	31.5	12.5	3.5	8.8	—
59	51	Servations "A"	59	-	5.3	9.0	9.6	8.4	—
222	160	Torday & Carlisle	160	-	10.7	6.7	5.1	9.5	—
15	10	Twinklack Orl	13½	-	—	—	—	—	—
40	26	Twinklack 15% ULS	78	-	15.0	19.2	—	—	—
44	25	Wollock Holdings	25	-	3.0	12.0	4.5	7.6	—
103	73	Walter Alexander	76	-	6.4	8.4	5.0	8.8	—
263	212	W. S. Yeates	228	-	13.1	5.7	4.3	8.8	—

Prices now available on Prestel page 48146

BUSINESS NEWS/COMPANIES AND MARKET REPORTS

Ansbacher finds a future in the past

**Its model
is in the
18th century**

Fascinating though the restructuring of Henry Ansbacher has been as an on-going City saga, the real story is the bank's policy for the future (Sally White writes).

It intends to be an old-fashioned merchant bank in the 18th century mould that is offering trade-related services on an international basis. This is the way Lord Kissin wanted to take Guinness, and the way that in their various styles Mercantile House, Mills & Allen and even Exco are going.

"Intelligence and know-how related things," is how Mr Charles Williams, chief executive, describes the bias of service to be offered, as opposed to banking activities that require large amounts of capital.

His immediate background was as chief of the Price Commission. A better clue to his inspiration comes from previous jobs. He is long in City experience — the Bank of London and Montreal, Eurofinance SA and then Barings.

Mr Williams was brought into Ansbacher by the commodity and metal trading group, Lissauer of the United States. Currently Lissauer owns 49 per cent of Ansbacher. It wanted to develop the bank so that it could take full advantage of Lissauer's world-wide trading business and contacts.

Part of the complicated series of deals announced yesterday sales

down the Lissauer stake to 22 per cent, and it also scales down another large shareholder, Grand Metropolitan, from 18 per cent to 7 per cent. This is to bring in a big financial partner for Ansbacher (to complement the trade backing from Lissauer).

Touche Remnant, the investment trust group, liked this method of diversifying its interests. Apart from obtaining a 20 per cent stake, by taking up the Lissauer and Grand Met. rights, it is putting in its deputy chairman, Mr David LeRoy-Lewis, to become chairman of Ansbacher.

Mr LeRoy-Lewis has a hand in other City restructurings recently, having become chairman of London money-brokers R.P. Martin after the merger with Bierbaum, the German group.

**The bond
mystery**

Bond market operators are as baffled by their own activities at the moment as is everyone else (Michael Prest writes). New issues this week have reached a cumulative £1,500m (£824m), still they come thick and fast. But the wonder is that so far the impact on prices and yields has been slight.

Given the hindsight of the last three days — which is about as long as the market can look either backwards or forwards in present conditions of high exchange and interest rate volatility — it is not surprising that borrowers should have taken advantage of the modest



LeRoy-Lewis: Ansbacher chief

optimism afforded by easier American money supply and interest rate figures.

What had caught the market off balance is the apparently insatiable demand for good quality paper and the willingness of borrowers to offer continuing high coupons and yields.

Thus the World Bank, one of the very best credits, has returned for \$250m at 15½ per cent. Nova Scotia, Australian Resources Development Bank and Burroughs carry 15.75, 13.5, and 15.75 per cent respectively.

On the corporate side, one possible reason for the demand is that interest and amortization payments are heavier than usual this month, placing more funds in the hands of portfolio managers.

**Sweet talk by
Rowntree**

The men from Rowntree Mackintosh will today be putting their case to win over Huntley & Palmer shareholders (Margaret Pagano writes).

Whatever else they may have up their sleeve — apart from what promises to be a good set of results — it will be tough going to convince cynics in both camps that the bid makes sound commercial sense.

For it is evident that Rowntree shareholders themselves have been less than persuaded. If successful the bid will dilute earnings for a few years and is the sort of strategy promised last year.

In the short-term, the takeover, which will cost at least £27.4m cash straight off, will mean pumping into Huntley a considerable sum of money to generate its full potential.

Profits of £20m are not impossible in a few years, but it will mean drastic pruning at Huntley's three factories. Forecasts for 1981 are still for some £7.5m.

But the market feels that Rowntree will not need to go any higher (despite Huntley's hopes for another 20p) and will probably succeed in making Huntley's famous brand names more profitable.

Certainly, from Huntley's point of view, it would seem that a future with Rowntree is probably its best bet as it lacks the punch, and cash, to go it alone, there is also the possibility of an Office of Fair Trading referral.

INTERNATIONAL



HONGKONG

Mr John Brembridge, Hongkong's Financial Secretary, yesterday reported a budget surplus of £1,648m for the 1981-82 financial year, just ended, and described it as a success story in difficult times.

He raised personal allowances from \$HK15,000 to \$HK20,000 which will cover an estimated 300,000 of the colony's 5 million Chinese. As an incentive for businessmen, Mr Brembridge announced an increase from 35 to 55 per cent tax allowance for plant and equipment purchases.

The Financial Secretary also announced that foreign currency deposits placed with licensed banks and deposit-taking companies would be exempt from interest tax. The tax on interest from Hongkong dollar deposits would also be cut to 10 per cent from 15 per cent, effective from today.

JAPAN
Japan will neither cut output of semi-conductors nor restrict exports to the United States despite the American's criticism, the Japan Electronic Industries Association said.

Japanese industry has just reached about 70 per cent of the United States market share for the 64K RAM (Random Access Memory), the latest computer memory device, against 30 per cent by the United States firms.

NETHERLANDS
The Netherlands had a foreign trade surplus of Gld 200m (£41.8m) in December compared with a Gld 2,000m surplus in November and a deficit of Gld 800m in December, 1980. For 1981 as a whole, Dutch trade showed a surplus of Gld 6,000m compared with a year-earlier deficit of Gld 5,300m.

MEXICO
The British Export Credits Guarantee Department (ECGD) is guaranteeing a £31m loan which M. M. Rothschild & Sons has provided for Banco Nacional de Comercio Exterior SA of Mexico. Rothschild is acting on its own behalf and for a syndicate of banks, and the loan will help finance a £37m contract awarded to Darwin Instruments of Cambridge for the supply of equipment for technical education and research in Mexican training establishments.

CRODA INT

**Call to
reject
takeover**

Croda International is forecasting 1982 profits of £16m before tax in a hard hitting letter to shareholders strongly advising them to reject the 70p share takeover bid from Burmah.

The forecast profits, which would represent a 58 per cent increase over 1981, is to back up Croda's earlier promise of an 86 per cent rise in dividends to 10p gross in 1982.

Croda says that after tax of £6m, which will include about £2.5m advance corporation tax, the net dividend would be covered 1.35 times. Croda's merchant bank Warburgs said that no calculations had been made of likely current cost earnings in 1982.

Croda tells shareholders that Burmah is financially weak but despite this may still raise its offer for Croda.

WEDGWOOD

Trading blues
An extremely pessimistic statement on world trading came from Sir Arthur Bryman, chairman of Wedgwood, yesterday despite buoyant monthly figures.

Even pre-tax profits, up 66 per cent to £6m in the period to January, failed to cheer and the group's shares fell 4½p to 75½p. Sales increase by £6m to £86m.

Sir Arthur stressed that there was still no firm evidence of any improvement in either international or domestic business. He said that to deep recession in the United States and European markets was continuing to cause concern.

Since the group, often held up as one of the best measures of British exports, has some 63 per cent of its total sales overseas, this can only be taken as further disappointing news.

Predictions that trading will pick up in the second-half of 1982, Sir Arthur added, was no real comfort. However, Wedgwood takes some hope from the trade reaction to a wide range of new products displayed at the spring exhibition. This, and improved production techniques, give a degree of optimism.

HILL SAMUEL

Stake reduced
Hill Samuel is cutting its stake in one of Korea's leading merchant banks, Saehan Merchant Banking Corporation, by selling 13 per cent of the equity to chemical bank. The deal will leave Hill Samuel with 7.5 per cent and Chemical Bank with 12.5 per cent, which is also buying the shares held by Banque Arabe at Internationale d'Investissements will have 23 per cent.

Hill Samuel, which helped to found SMBC, is reducing its involvement because SMBC's business is increasingly capital intensive and given the constraints on a United Kingdom merchant bank, Hill Samuel felt that Chemical Bank would be more able to meet its capital needs.

Sir Robert Clark, chairman of Hill Samuel, said SMBC would be better able to expand and meet the capital requirements of Korean industry in the 1980s with the backing of a leading money centre American bank.

Carrington Viyella shares were unchanged at 12½p.

LATEST RESULTS

Company	Sales	Profits	Earnings	Div	Pay	Year's
£m or £m	£m	£m	per share	pence	date	total
BPM (I)	42.31(38.27)	0.48(1.44)	8.7(31.9)	1.5(1.5)	21.4	—(5.77)
Carrington Viyella (F)	200(297)	2.3(3.5)	4.1(4.5)	1.8(1.2)	19/3	—(3.25)
Dejima	10.7(9.8)	0.7(0.9)	1.8(1.2)	1.0(1.0)	12/6	—(3.4)
Elco Hldgs (I)	8.38(10.37)	0.73(0.77)	—	—	—	—(11.0)
Harrisons Malaysian (I)	30.4(31.3)	1.1(1.3)	4.0(4.0)	2.8(2.5)	—	—(8.0)
Moore (F)	201.8(206.7)	30.4(31.4)	—	—	—	—(3.3)
Moore (F) Tel (F)	1.08(1.2)	—	—	—	—	—(9.5)
Johnson, Mat (9 mths)	688(672)	35(30.4)	24.8(26.3)	—	—	—(3.3)
Wedgwood (9 mths)	86.2(78.16)	6.0(6.62)	10.1(7.4)	—	—	—

Dividends in this table are shown net of tax on profits per share. Elsewhere in Business News dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pre-tax and earnings are net. — Loss; — Adjusted for scrip issue.

HARRISONS ME

Profits dip £3m

Harrisons Malaysian Estates, the plantation company 81 per cent owned by Harrisons & Crosfield, saw pre-tax profits for the half year to end-September fall by nearly £3m to £11m. The interim dividend was maintained at 3.5p gross. Earnings per share were 4.06p, against 5.09p.

The decline in profits was chiefly because of lower rubber and cocoa prices and a poor rubber crop. The adverse movement of the Malaysian dollar also affected the outcome, although the sterling price of rubber did not change much.

The directors say that results in the second and third quarters recovered to show a "substantial improvement". This year's figures will not include an extraordinary item matching the £5m gained from last year's sale of a stake in Harrisons & Crosfield. Nevertheless, pre-tax profits are expected to be similar.

CARRINGTON

Cut in losses

Substantial rationalization, which will have cost 10,000 jobs by the end of the year, has brought sharp cut in losses for textiles group Carrington Viyella, almost halved at the pre-tax level to £4.3m in the year to December, against £8.3m.

The rationalization cost £12.5m in 1981 against £21.5m

"I am confident that we shall maintain and improve on our record of success"

E. S. Margulies, Chairman.

Highlights from the Chairman's Statement

The diversity of the Group's operations has again been a source of strength in maintaining performance in a year of very demanding conditions.

Some of our businesses have been severely affected by recession within the United Kingdom and some of our main international trading activities have experienced difficult markets. But elsewhere there have been good trading opportunities, which the growing strength of our international organisation has enabled us to realise. Overall, the Group profit and market share have increased, a position which is not reflected in turnover due to sharply reduced commodity prices.

The results reflect the partial consolidation of British Sugar Corporation which, following the acquisition last year of 40 per cent of the equity, is treated as an associate company.

A total dividend for the year of 7.5p net per share is recommended — an increase of 15.4 per cent.

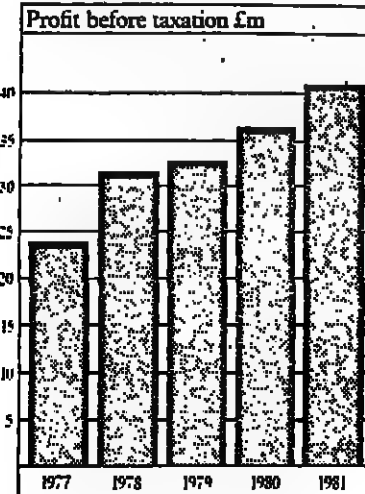
Over the years, S & W Berisford has become a highly diversified and balanced trading Group, with considerable financial strength, operating through many separate businesses in many countries.

Our strategic course in further developing the Group's activities is to draw on our skills and experience

and substantial financial resources in order to broaden and strengthen our existing mix of trading and processing businesses, and improve their individual performance. Thus, we intend, cautiously and deliberately, to deepen our involvement in trades where we are already established profitably, as well as to extend the range of materials in which we trade by moving into promising new areas. We also seek to strengthen our regional organisation in different parts of the world so as to improve our ability to source important raw materials or to service our customers internationally.

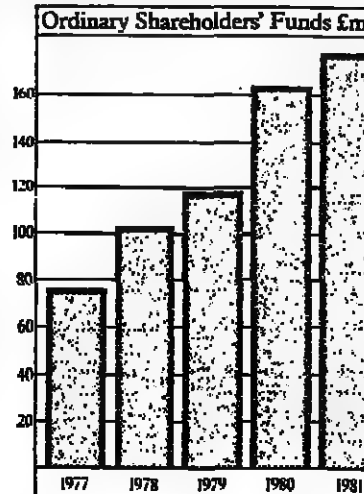
I am confident that we shall maintain and improve on our record of success, and continue to find profitable growth in the future.

The major initiative pursued by the Group last year was our bid for British Sugar Corporation, as a result of which we acquired just over 40 per cent of the share capital. The results to date achieved by British Sugar fully justified the investment we made last year. Under the rules of the Takeover Code, although we may sell shares if we wish, we are inhibited from making any further investment until the summer of 1982 and during this period we will continue to keep the position under review.



FINANCIAL HIGHLIGHTS		
Year ended 30th September		
	1981	1980
Turnover	£2,236.4	£2,452.5
Profit before taxation	40.7	36.1
Ordinary Shareholders' earnings	30.2	27.1
Ordinary Dividend	12.6	10.2
Shareholders' Funds	179.0	163.5
Earnings per share	18.07p	18.69p*
Dividend per share (net)	7.50p	6.50p*
Dividend times covered	2.41	2.66

* Adjusted for capitalisation issue 1981



S&W Berisford

An international group of companies principally involved in the merchandising, processing and distribution of key raw materials.

Annual General Meeting
The Seventy-second Annual General Meeting of the company will be held at The Tower Hotel, St. Katharine's Way, London E1 on Tuesday, 16th March 1982 at 12 noon.
Annual Report 1981
Copies of the Annual Report, containing the Chairman's Statement in full and a Review of Operations for the year are available from The Secretary, S & W Berisford Limited, Berisford House, 50 Mark Lane, London EC3R 7QJ.

TSB BASE RATE

With effect from the close of business on Thursday, 25th February, 1982 and until further notice TSB Base Rate will be 13½% per annum



TRUSTEE SAVINGS BANKS

Central Board,
P.O. Box 33, 3 Cophall Avenue, London EC2P 2AB

Le
le
reg

Scott D
General
building
yesterday
of conce
putting
society
selling cig
and sweets
thinks
colleagues
the st
ment did
about c
banks and
Durward
day says

Scott F
unconv
The build
ing but
important
Anyon
Leicester
and
cheap p
Cinba
nes
cheques
and
As has
been di
Patients
Plan
discount
and a p
the price
of a

What pi
tax Uto
A Britain
of taxes
round
But this
campaign
for system
whereby
states would
be single
level on
energy.
The chance
moved to
not be
budget
plan
I men
back
paign
the d
waste
paving
downs
don't
technical
water

'Good Heaven
Budget argu
started ear
this
Divide a
duel
Good news
an
from Harry
Fe
secretary of
Taxi Drivers
The bad news
drivers are a
up for ground
13 per cent
The good news
and his member
together a car
sharing on cer
principally fro
and the suburb
and back.
My lunch is
and his driver
likely to get the
than the former
joining idea is
Collier
section of the
General Workers
increase in fare
last time is oppos
Whitely, the
retary.

Peter W
NEW
APPOINTA
Mr Derek Kin
been appointed
executive with effe
5 and chairman of
subsidaries — F
mation.
Fairley
Fairley Hydraulics,
ne, Fairley Nucl
Winches and Fairley
Mr George Smith
appointed manag
responsible for Ess
Company's explo
production division.
Clayman is to be
the position of exec
with effect from Mar
With effect from
following changes w
n Mitchell
Sandley, who has t
assume the title of
chief executive, M
copy chief execut
been non-execut
since February 1981
present joint manag
of Dacka Group.
he appointed manag
or.

Good news an
from Harry Fe
secretary of
Taxi Drivers
The bad news
drivers are a
up for ground
13 per cent
The good news
and his member
together a car
sharing on cer
principally fro
and the suburb
and back.
My lunch is
and his driver
likely to get the
than the former
joining idea is
Collier
section of the
General Workers
increase in fare
last time is oppos
Whitely, the
retary.

Peter W
NEW
APPOINTA
Mr Derek Kin
been appointed
executive with effe
5 and chairman of
subsidaries — F
mation.
Fairley
Fairley Hydraulics,
ne, Fairley Nucl
Winches and Fairley
Mr George Smith
appointed manag
responsible for Ess
Company's explo
production division.
Clayman is to be
the position of exec
with effect from Mar
With effect from
following changes w
n Mitchell
Sandley, who has t
assume the title of
chief executive, M
copy chief execut
been non-execut
since February 1981
present joint manag
of Dacka Group.
he appointed manag
or.

Good news an
from Harry Fe
secretary of
Taxi Drivers
The bad news
drivers are a
up for ground
13 per cent
The good news
and his member
together a car
sharing on cer
principally fro
and the suburb
and back.
My lunch is
and his driver
likely to get the
than the former
joining idea is
Collier
section of the
General Workers
increase in fare
last time is oppos
Whitely, the
retary.

BUSINESS NEWS/FOCUS AND COMMENT

PEOPLE

Leicester leaps in regardless

Scott Durward, 46, chief general manager of the Leicester, seventh largest building society, which yesterday introduced a clutch of concessions to anyone putting money into his society, learnt his trade selling cigarettes for Imperial and sweets for Rowntree. He thinks that most of his colleagues are still stuck in the sixties when the "movement" did not have to bother about competition from banks and national savings.



Durward, in town yesterday, says tersely that he would like to be chairman of the Building Societies Association but "I have more important things to do".

What price a tax Utopia?

A Britain free from a myriad of taxes sounds like a Utopia. But this is the aim of the campaign for "Unitax", a system whereby all taxes and duties would be replaced by a single levy on every form of energy.



"Good Heavens! The pre-Budget arguments have started early this year."

Divide and duel

Good news and bad news from Harry Feigen, general secretary of the Transport and Taxi Drivers Association. The bad news is that taxi drivers are after a large increase this April to make up for ground lost since the 13 per cent increase last July. The good news is that he and his members are getting together a case for cab-sharing on certain routes, principally from Heathrow and the suburbs into town and back.

Peter Wainwright

NEW APPOINTMENTS

Mr Derek Kingsbury has been appointed group chief executive with effect from April 5 and chairman of the group subsidiaries Fairway Automation, Fairway Engineering, Fairway Hydraulics, Fairway Marine, Fairway Nuclear, Fairway Winches and Fairway Filtration.



Mr Peter Goode, managing director of Hoover Ltd: attempting to fill the profits vacuum

After the rout - can Hoover claw its way back?

Hoover has been bumping along the floor for so many years that even a loss of £31m for 1981 drew only a mild response yesterday from the dwindling band of those who scrutinise the company's fortunes.

Indeed, judging by the gyrations of the share price during the day, the off-prepared funeral rites for one of Britain's most famous, if ill-starred, companies must be deferred yet again.

The hope, without any guarantee that it will be realised, is that having undergone drastic and prolonged surgery - during which the British workforce has been cut by 50 per cent over the past three years and production concentrated at Merthyr Tydfil and Cambuslang in Scotland - Hoover will become a leaner, fitter animal.

Some analysts yesterday were talking about the company breaking even this year with a profit as high as £15m for 1982.

However, the ravages of recent years must induce a good deal of caution. Basically Hoover has been paying the price of being first in the field.

Sixties as the consumer boom created a demand for Hoover washing machines and floor cleaners. The company diversified into allied products like spin driers, irons, toasters, electric kettles and cooking ovens.

By 1973 Hoover was earning pre-tax profits of £21.3m and employing more than 16,000 in Britain at Merthyr Tydfil, Cambuslang and Perivale in West London, where it inhabited one of the most famous art deco industrial buildings in the country.

But by the early Seventies, the company's pre-eminence was challenged by cheap imports, particularly from Italy where Zanussi, Indesit and Candy proved their ability to undercut Hoover by producing white goods in bulk for both the domestic and export markets.

European manufacturers of washing machines also moved into the British market and quickly picked up a 20 per cent share.

And Electrolux, the Swedish multi-national, proved more efficient with sales per employee from its Luton factory, almost double those at Hoover. Last year Electrolux employed 5,000 against 10,000 at Hoover.

But it was not only foreign manufacturers who were more efficient. BSR's Gobin vacuum cleaners and GEC Hotpoint washing machines proved resilient during the recession, even though the overall market for domestic appliances slumped by 8 per cent from mid-1980 to the middle of last year.

Hoover began to show the strain during the second half of the 1970s, a period in which profits slumped every year from 1975's £20.4m to a £1.4m loss in 1980.

Aggravating the problems of high priced products, weak marketing and cheap imports, were the labour troubles which bedevilled management at Merthyr Tydfil and Cambuslang, both of which are essentially company towns.

Cambuslang was stopped for 10 weeks in 1974 by a wave of strikes against pay restraint. Further disruption hit production in 1975 and 1977.

The onset of the recession in the domestic appliance market during 1979 forced Hoover to lay off workers. Last year the British workforce was cut from 10,224 to 6,854. These redundancies cost Hoover £13.5m out of total rationalisation costs of £17.2m.

Mr Peter Goode, who was appointed last August, clearly hopes that the huge provisions for 1981 will not spill over into this year and that the costs of slimming down the group will be a once and for all item in the balance sheet.

Hoover's finances could be given a boost by the development of part of the nine-acre Perivale site. The closure of Perivale as a manufacturing centre was announced last October. A statement on the future of the historic building is expected next week and this could include plans for redeveloping parts of the rear, possibly for a shopping complex or even a hotel.

The facade of Perivale will remain untouched because it is listed. Hoover has been advised by a panel of international surveyors and hopes any redevelopment will be architecturally eye-pleasing as well as profitable.

As yet it is unclear whether the company will develop the site itself.

Clearly, Mr Goode's main strategy after the past failures, is to go for a product-led recovery. Hoover's share of the total cleaner market is 33 per cent. But it has only a 17.6 per cent stake in the suction market. The new Sentsortronic range is to be launched next month and Hoover claims the models will be the quietest and most efficient in Europe.

Hoover is to spend £2m on advertising the new models which will sell for between £50 and £120. Hoover is also for the first time fighting back against cheap imports by launching a new range of washing machines. Two of the models will sell for under £200, making them competitive with other products on the market.

The company is also setting out to grab a chunk of the £200m home security market. Thiefcheck, a kind of do-it-yourself anti-burglar kit, will shortly be launched at £140. The advertising claims the kit is sufficient to protect a three-bedroomed house. The product has been developed partly on the advice of ex-burglars approached by Hoover.

Despite the recession which hit the white goods market hard, Hoover still sells just under half of all upright vacuum cleaners sold in Britain and lost only a

fraction of the total market share last year. Mr Goode has a marketing background and is determined to fight the competition, not only on the traditional cleaner/washing machine front, but by launching new products backed by the Hoover name.

It remains to be seen whether the new marketing strategy will enable Hoover to compete effectively, especially when the recession lifts. Even now there are signs that overall demand for domestic appliances is rising slightly. Sales in unseasonal January were slightly ahead. The financial background is less than bright however. Borrowings are estimated to have risen from £15.6m a year ago to around £20m, compared with a market capitalisation of £18m. The advertising and promotional costs required to launch new products will bear down on profits in the short-term. The best Hoover can hope for this year is to break even, if all the provisions are indeed out of the way. And hanging over the group is the prospect that the American parent might attract a bid, either from old favourite Black and Decker, or from Japan. If the recovery is about to start, this could be a good time for a predator to strike.

Kevin Page

Business Editor

Interest rates move lower

A further half point off bank base rates may not matter much one way or the other in terms of monetary control. But after all the preaching on the need for caution in lowering interest rates, the authorities' actions in giving the nod to lower interest rates after a single week of good United States money supply figures almost smacks of unseemly haste.

After all, looking at the domestic monetary situation, it is not as if the January figures signalled any obvious reason to lower interest rates. And sterling's performance on the foreign exchange markets show there must be some fear that the pound has been seasonally helped by the remittance of foreign currency holdings to meet tax payments.

That said, the authorities may have convinced themselves that United States rates are on their way down. They may well be looking for further cuts in other European interest rates too over the next few days now that the EMS realignment is out of the way.

Moreover, domestically it increasingly looks as if the Budget is going to place the emphasis on a fiscal policy that permits lower interest rates rather than very much more. The authorities will allow themselves to be pushed too far on the interest rate front remains to be seen.

Moreover, the authorities may have convinced themselves that United States rates are on their way down. They may well be looking for further cuts in other European interest rates too over the next few days now that the EMS realignment is out of the way.

Building The future

The construction industry, like many other lobby groups trying to bend the ear of the Chancellor, has had to live with frustration for the past few years.

The latest figures for new construction orders in 1981 might give ministers some small encouragement, but they do not alter the fundamental problems. The crisis in the industry has long passed the stage of scare stories about declining orders and crumbling buildings and reached the point where both unions and management, whether directly affected or not, agree that urgent remedial action is needed.

A marginal increase in new orders does not constitute an upward trend, but may simply be the result of several major projects coming on stream.

Local authorities have underspent by about £700m in the past year, and have plenty of spare money for road renewal. That at least should be a priority for the coming year.

Grindlays Bank p.l.c.
Interest Rates
Grindlays Bank Limited announces that its base rate for lending will change from 14% to 13½% with effect from 25th February 1982

The interest rates paid on call deposits will be:-
call deposits of £1,000 and over 11% (call deposits of £300-£999 10%)

Rates of interest on fixed deposits of over £5,000 will be quoted on request.
Enquiries: Please telephone 01-930 4611

Grindlays Bank p.l.c.
Head Office: 23 Fenchurch Street, London EC3P 3ED

Brunner Investment Trust PLC
Year ended 30th November 1981

Dividend	+9.1%
Net Asset Value per share	
1 Year (FT-Actuaries All-Share Index + 2.6%)	+5.5%
10 Years (FT-Actuaries All-Share Index + 72.7%)	+118.9%

KBIM Managers: Kleinwort Benson Investment Management

Copies of the Annual Report are available from The Secretary, 20 Fenchurch Street, London EC3P 3DB

Reagan puts his money on enterprise zones

PERSPECTIVE: REVITALISING INNER-CITIES

By Bailey Morris



Donald Schaefer, Baltimore Mayor has endorsed Reagan's programme: "Practical mayors live with the rules of the game."

programme now under the direction of the US Department of Housing and Urban Development.

Generally, the legislation was supported by mayors and governors across America. At a time when federal support for the cities was shrinking, they viewed it as one of the last straws to grasp.

This was the message relayed to Mr Reagan at the White House by Mr Donald Schaefer, the popular mayor of Baltimore, Maryland, who has endorsed the programme enthusiastically, even though he has been highly critical of the President.

"Practical mayors live with the rules of the game. We have high unemployment. I worry about jobs. That's why I support the programme," Mr Schaefer said.

He has urged Mr Reagan to designate Baltimore as the first enterprise zone since the city has already launched a similar programme with the aid of local businesses and banks in its Park Heights industrial area. This low income area north-west of Baltimore has high unemployment of up to 50 per cent among young black people, plenty of vacant land, but few businesses, Mr Schaefer said.

The problem with Park Heights, as with most depressed urban areas, is that businesses will not move in because of high crime rates and low profit potential. The zones are intended to reverse this pattern.

Critics contend, however, that the Reagan administration's plan, as presently constituted, will not solve the problems and may even create new ones.

Public expectations for jobs and other economic benefits flowing from the programme are too high and could dissolve into disillusion if the zones fail to attract investment.

Mr Ray Warren, assistant director of community development in Springfield, Massachusetts, is one of the doubters. "They plan on maybe 30 of these things of perhaps a square mile each meaning the entire federal urban policy encompasses only 30 square miles", he said.

There is also strong opposition at state level to a provision in the Reagan plan requiring localities qualifying as zones to waive local property taxes. This added

loss of revenues cannot be borne by states and localities at a time when they are being pressed by the administration to shoulder even more fiscal responsibilities, officials said.

Some veteran city planners also fear that black leaders across the country will organize against the programme because of a provision allowing corporations in the zones to pay salaries below the minimum wage.

"This is a big issue in the black community. Black leaders believe the elimination of the minimum wage will result in breadwinners losing their jobs to teenagers", said Mr Robert Brandwein, president of the Boston-based Policy and Management Associates, a private consulting firm.

Mr Brandwein was hired by the administration to review existing enterprise zone proposals and write a report, including recommendations to correct the flaws in this capacity he travelled to the United Kingdom to study the British zones.

Generally, Mr Brandwein found that the British experiment does not really apply to the United States because of big differences in both the problems to be corrected and the method of doing business.

In the United States, for example, property developers do not build big offices and plants until they have located a tenant, whereas in Britain it is a common practice to build the structure first and then look for a tenant, Mr Brandwein said.

He also encountered unique problems in the UK zones which do not necessarily apply in US localities.

In the Dudley zone, for example, he found the big problem to be the high cost of developing a new building because of the difficulty in finding solid land in this coal-mining community. And UK corporations have tended to avoid Clydebank because it has developed a reputation as a tough union town, based on former experiences in the shipyards, Mr Brandwein said.

The UK models have provided examples, however, of problems which the United States should avoid and which Mr Brandwein outlined in his report to the Reagan administration.

Should existing firms in the zones, for example, receive the same benefits as those moving into them? How can firms immediately outside the zones compete with businesses inside which are receiving cost advantages resulting from tax benefits and regulatory receipts? These were the most pressing problems identified by Mr Brandwein.


Over the past 10 years - years in which the United States has launched numerous unsuccessful programmes to attract businesses to urban centres populated by minorities - two major problems have emerged which the zones may or may not correct, depending on how they are structured.


Stock Exchange Prices

Light selling

ACCOUNT DAYS: Dealings Began, Feb 15. Dealings End, Feb 26. \$ Contango Day, Mar 1. Settlement Day, Mar 8.
\$ Forward bargains are permitted on two previous days


**LEGGE
5-LEVER
SECURITY
LOCKS**



 **EST. 1980**

Get some real protection from **LEGGE**

**LEGGE
5-LEVER
SECURITY
LOCKS**



U.S. PAT. NO. 4,281,100

Get some real protection from

[illegible]

[illegible]

